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SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

# NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, SEPTEMBER 11, 2003 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

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## AGENDA
**September 11, 2003**

DOCUMENTS DEPT.
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1. ROLL CALL

   *Sululagi Palega, Sr., President*
   *Julie Lee, Vice President*
   *George R. Brown, Commissioner*
   *Betty J. Smith, Commissioner*
   *Andrew J. Clark, Commissioner*
   *Neola Gans, Commissioner*
   *Rev. George Woodruff, Commissioner*

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - August 14, 2003 Regular Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee – Nothing to Report
   Finance Committee – Nothing to Report
   Personnel Committee – Nothing to Report

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7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS - None

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR GENERAL LEGAL SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT-TO-EXCEED $500,000.00

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH A. S. F. ELECTRIC, INC. TO CONDUCT SMOKE DETECTOR SYSTEM UPGRADES AT CAL 1-17 A, HUNTERS POINT A, UPPER AND LOWER WEST & CAL 1-18 (4), ALICE GRIFFITH, IN AN AMOUNT NOT TO EXCEED $606,905.00

(C) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH KIN WO CONSTRUCTION, INC. FOR THE REPAIR OF EXTERIOR DECKS AND STAIRS AT CAL 1-10, POTRERO ANNEX, IN AN AMOUNT NOT TO EXCEED $1,196,800.00

(D) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ARCO GRAPHICS SIGN SERVICE TO FABRICATE AND INSTALL EVACUATION AND STAIRWELL SIGNS AT CAL 1-21, 320/330 CLEMENTINA; CAL 1-19(2), 1750 MCALLISTER; CAL 1-37, 491 31$^{ST}$ AVENUE; CAL 1-29, 345 ARGUELLO STREET; CAL 1-23, 1880 PINE STREET; CAL 1-18(13), MISSION DOLORES; CAL 1-34, 363 NOE STREET; CAL 1-36, 227 BAY STREET; CAL 1-20, 3850 18TH STREET, IN AN AMOUNT NOT TO EXCEED $ 47,500.00

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

A Closed session is scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (SFHA vs. HUD and USA vs. SFHA; case name unspecified to avoid jeopardizing existing settlement negotiations).

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

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# SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

**DATE:** **July 10, 2003**

**TO:** **SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS**

*Sululagi Palega, Sr., President*
*Julie Lee, Vice President*
*George R. Brown, Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff*, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR GENERAL LEGAL SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT-TO-EXCEED $500,000.

## OVERVIEW

This resolution requests the Commission to authorize the Executive Director to enter into a two-year contract for general legal services on an as-needed basis in an amount not to exceed $500,000. The SFHA occasionally requires additional legal services from time to time for consultation or for the handling of litigation-related matters in areas requiring specific expertise. The areas in which legal assistance may be required include matters related to construction, labor/personnel, civil rights/constitutional law, tort law, contract law, and other general legal matters. Services required of selected counsel may include the preparation of pleadings, responding to discovery, and appearing in court on behalf of the SFHA.

## PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities," the San Francisco Housing Authority Procurement Policy Manual, and the State of California and local laws.



42710

The Authority issued a Request for Qualifications on February 10, 2003. The purpose of this solicitation was to obtain a list of pre-qualified law firms and sole practitioners who could provide legal services to the agency on an as-needed basis in the following areas: litigation, construction, civil rights/constitutional law, employment and labor law, and general legal services. It was anticipated that multiple awards would be made to qualified counsel to represent the Authority in various legal matters.

The February 10, 2003, solicitation was issued with a proposed due date for Proposals of March 13, 2003. The solicitation was advertised in the following media:

- The Recorder
- The City Outreach
- San Francisco Purchasing Website
- San Francisco Housing Authority Website.

Also, the Request for Proposals was issued to interested law firms and sole practitioners.

Eleven proposals were received responding to the solicitation. The firms that responded to the solicitation were:

- Erickson Beasley Hewitt & Wilson, LLP
- Gordon & Rees, KKP
- Grillo & Stevens, LLP
- Hancock, Rothert & Bunshoft, LLP
- Kauff, McClain & McGuire, LLP
- Littler Mendelson, PC
- Meyers, Nave, Riback, Silver & Wilson
- Nossaman, Gunther, Knox & Elliott, LLP
- Thompson Lawson, LLP
- Wickwire Gavin, LLP
- Wiley Price & Radulovich

**Review:** Evaluations were conducted in three parts.

First, the Contracts/Procurement Division staff conducted a preliminary examination to determine whether the submissions were minimally responsive to the RFQ. One, Thompson and Lawson, LLP, was not and, therefore, was disqualified from further consideration.

Second, written submissions of the remaining ten firms were evaluated by four Selection Review Panel members. The Panel performed technical reviews of the written materials submitted by each firm, scored the submissions, and provided the points to the Chairperson for tabulations, who then provided a summary of the group's results. The highest scores within the six legal areas were determined. Two firms, Kauff McClain, & McGuire and Wiley, Price, & Radulovich, did not rank sufficiently high for further consideration.

Third, in the last week of May 2003, the Chairperson contacted the remaining eight (8) firms by telephone and invited them to meet for an oral interview. The eight firms were interviewed on June 11-12 and the interviewees were scored by the Panel members on the basis of their presentation. The Panel's conclusions were provided to the Chairperson, who tabulated and summarized the results.

The oral and written evaluations were judged on the following criteria:

| | |
|---|---|
| • Past experience in designed practice area: | 0-50 points |
| • Capacity to provide necessary resources for matters assigned: | 0-35 points |
| • MBE/WBE programs and resident hiring: | 0-15 points |
| TOTAL | 100 points |

**SELECTION:** Using range point scores of 0 (lowest) to 100 points (highest) for both the written submittals and the oral interviews, composite scores were arrived at for the eight interviewed firms. Firms scoring 80% or higher were selected within each legal specialty.

The following is the ranking of the firms by the Selection Review Panel based on the Evaluation Criteria for each specialty area.

- Labor/Personnel

  Erickson, Beasley, Hewitt & Wilson, LLP (92.67)
  Gordon & Rees, KKP (86.33)
  Hancock, Rothert & Bunshoft, LLP (86.67)
  Littler Mendelson, PC (88.67)
  Meyers, Nave, Riback, Silver & Wilson (87.00)

- Construction

  Gordon & Rees, KKP (84.67)
  Wickwire Gavin, LLP (84.33)
  Hancock, Rothert & Bunshoft, LLP (83.67)
  Nossaman, Gunther, Knox & Elliott, LLP (82.33)

- Civil Rights/Constitutional Law

  Erickson, Beasley, Hewitt & Wilson, LLP (87.67)
  Littler Mendelson, PC (84.33)
  Meyers, Nave, Riback, Silver & Wilson (81.00)

- Tort Law

  Erickson, Beasley, Hewitt & Wilson, LLP (87.67)
  Hancock, Rothert & Bunshoft, LLP (84.67)
  Meyers, Nave, Riback, Silver & Wilson (81.00)

- Contract Law

  Meyers, Nave, Riback, Silver & Wilson (88.33)
  Wickwire Gavin, LLP (83.67)
  Nossaman, Gunther, Knox & Elliott, LLP (81.33)

- General Legal Services

  Meyers, Nave, Riback, Silver & Wilson (88.33)
  Littler Mendelson, PC (86.00)
  Nossaman, Gunther, Knox & Elliott, LLP (81.33)
  Wickwire Gavin, LLP (81.00)

**References:** Reference calls were made by the three panel members and were found favorable.

**Commitment:** All firms expressed a desire to work closely with the San Francisco Housing Authority in meeting its legal needs.

All firms were allowed to submit "best and final offers" for price competitivness, which included the option to submit blended rates. All "best and final" submissions by the firms were found to be equally competitive.

All the vendors met the Authority's criteria for legal services for each speciality area and will perform services on an as-needed basis. Three to four firms were selected to represent the Authority for each speciality area. This will enable the Housing Authority to have flexibility in assigning cases based on the nature of the case and the availability of legal counsel.

Counsel will be assigned cases on the basis of performance, availability of counsel, nature of the case, and cost of services.

**OBJECTIVE**

The SFHA has an in-house legal staff that consists of a managing attorney, two paralegals, and other support staff. Many of the legal matters are handled in-house. From time-to-time outside legal assistance is needed to work under the supervision and direction of the in-house counsel or the executive director in areas where specialized legal knowledge and experience is essential.

The areas in which legal assistance may be required include matters related to construction projects, labor issues, employment issues, personnel grievances and arbitrations, contract and tort matters, general legal advice, and constitutional and civil rights defense. The SFHA also requires legal representation in all aspects of litigation brought by or against the Authority.

**ANTICIPATED OUTCOMES**

It is anticipated that outside legal expertise and services will assist the Authority to operate in a more effective and efficient manner. The funding of outside legal services will provide the resources to obtain the technical legal advice and assistance the Authority needs for new ventures and business relationships. It will also enable the Authority to secure effective legal representation when it is threatened with exposure to liability or when it must make key decisions affecting its operations. The availability of outside counsel on an as-needed basis will allow for a breadth of experience in the defense of all types of claims or cases and will provide sufficient staffing and expertise to respond promptly and comprehensively to complaints filed.

**WHO BENEFITS**

The residents of SFHA development sites, the Housing Authority, and the City and County of San Francisco will benefit from the professional services and advice of experienced and qualified legal counsel. The Authority will be able to operate more effectively when it can rely upon the advice of competent counsel and when it can respond promptly to contentious matters. This should result in the prevention of costly mistakes and unnecessary attention.

In addition, the RFQ sought hourly rates for legal fees that were reasonable and competitive. The firms were encouraged to provide alternate billing rates to their traditional hourly fees. A number of the firms gave lower, preferential rates to the Authority, as a public agency, in contrast to the fees charged their private clientele. Since the proposed cost was excluded as a factor in the evaluation and selection factors, the specific fees will be negotiated on a case-by-case basis.

**BUDGET CONSIDERATIONS**

Funding has been budgeted from operating funds for legal services.

**RESIDENT HIRING**

As this contract requests services as-needed, resident hiring will be determined on a situational basis.

**MBE/WBE PARTICIPATION**

Each firm is committed to promoting the goals of MBE/WBE. One firm is minority owned, and all firms outlined in their proposals their programs that provide opportunities for minorities and women.

**RECOMMENDATION**

I recommend that the Board approve this resolution to increase funding for a two-year general legal services contract.

**RESOLUTION NO._____**

**DATE ADOPTED:_____**

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR GENERAL LEGAL SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT-TO-EXCEED $500,000**

**WHEREAS**, the Health and Safety Code, section 34279 authorizes the Housing Authority of the City and County of San Francisco ("SFHA") to employ its own counsel and legal staff; and

**WHEREAS**, the SFHA requires additional legal services to adequately defend its interest in various legal matters; and

**WHEREAS**, the SFHA sent out to bid the Request for Qualifications (RFQ # ) for various legal services; and

**WHEREAS**, a qualified team consisting of three legal consultants experienced in public housing legal matters reviewed the RFQs and determined that all of the selected firms meet the qualifications stated in said RFQ; and

**WHEREAS**, the following firms have been selected to provide services in the following areas of legal practice:

*LABOR/ PERSONNEL law* – Erickson Beasley Hewitt & Wilson, LLP; Gordon & Rees, LLP; Hancock Rothert & Bunshoft, LLP; Littler Mendelson, PC; Meyers Nave Riback Silver & Wilson

*CONSTRUCTION law* – Gordon & Reese, LLP; Hancock Rothert & Bunshoft, LLP; Nossaman, Guthner, Knox & Elliott, LLP; Wickwire Gavin, LLP

*CIVIL RIGHTS/ CONSTITUTIONAL* – Erickson Beasley Hewitt & Wilson, LLP; Littler Mendelson, PC; Meyers Nave Riback Silver & Wilson

*TORT LAW* – Erickson Beasley Hewitt & Wilson, LLP; Hancock Tothert & Bunshoft, LLP; Meyers Nave Riback Silver & Wilson

*CONTRACT LAW* – Meyers, Nave, Riback, Silver & Wilson; Nossaman, Guthner, Knox & Elliott, LLP; Wickwire Gavin, LLP

**WHEREAS**, contract terms are to be negotiated with these firms on an as-need basis, subject to approval of individual contracts by this Commission and/or HUD, as may be required;

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The establishment of the list of qualified law practitioners available to represent the Housing Authority is hereby approved in the following areas of legal practice: Labor/ Personnel Law; Construction Law; Civil Rights/ Constitutional Law; Tort Law; Contract Law.

2. The Executive Director, or his designee, is hereby authorized to meet and negotiate appropriate contract terms and enter into contracts for legal services with each of the firms listed above on an as-needed basis subject to approval of individual contracts by this Commission and/or HUD as may be required.

3. This resolution shall take effect immediately.

**APPROVED AS TO FORM AND LEGALITY:**

Donna Mart

**DONNA MARTIN**
**Agency Counsel**

**Date:** 9-5-03

**REVIEWED BY:**

**GREGG FORTNER**
**Executive Director/ Secretary**

**Date:** 9/5/2003

# RESOLUTION - ROUTING SLIP

| | |
|---|---|
| FOR COMMISSION MEETING OF: | September 11, 2003 |
| DATE Submitted to OGC: | FROM: Donna Martin, Managing Attorney |

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR GENERAL LEGAL SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT-TO-EXCEED $500,000.

## APPROVALS

**1. FINANCE**

David Esparza, Administrator

Date 09/05/03

**6. HOUSING DEVELOPMENT**

n/a

Barbara Smith, Administrator

Date

**2. BUDGET**

Signature

Date 9/5/03

Dollar Amount

Account No.

**3. PR**

$300,000

FY 2004 BUDGET

Rene L MSSD

Date

**7. OTHER**

Date

**4. AD ES**

Michael Roetzer, MSSD Administrator

Date 9.5.03

**8. OFFICE OF GENERAL COUNSEL**

Donna Martin

Donna Martin, General Counsel

Date 9-05-03

**5. EXECUTIVE OFFICE**

Naja Boyd, Deputy Executive Director

Date 9/19/2003

**9. EXECUTIVE OFFICE**

Gregg Fortner, Executive Director

Date

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SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Fra ncisco CA • 94112 • (415) 554-1200

DATE: September 11, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Sululagi Palega, Sr., President*
*Julie Lee, Vice President*
*George R. Brown, Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff, Commissioner*

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH A. S. F. ELECTRIC, INC. TO CONDUCT SMOKE DETECTOR SYSTEM UPGRADES AT CAL 1-17 A, HUNTERS POINT A, UPPER AND LOWER WEST & CAL 1-18 (4), ALICE GRIFFITH, IN AN AMOUNT NOT TO EXCEED $606,905.00.**

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## OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract for Smoke Detector System Upgrades at CAL 1-17 A, Hunters Point A, Upper and Lower West & CAL 1-18 (4), Alice Griffith Family Development.

The Hunter's Point A West Development was built on 1954 and consists of 213 family dwelling units. The Alice Griffith Development consists of 33 two-story townhouse style buildings scattered throughout the twenty-four acre site with 254 family dwelling units. Both developments lack adequate smoke detector systems, which represents a safety hazard to residents. This contract is the mechanism by which the Authority engages the services of a contractor to complete the Smoke Detector System Upgrades work.

## PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

**Past Bidders List, Contractors Blue Book & Yellow Pages**: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to one hundred and fifty eight (58) individual contractors (22 of which are MBE/WBE) from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

**HRC:** The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to twenty two (22) MBE/WBE contractor listed by the San Francisco Human Rights Commission.

**Labor Unions:** The Authority mailed its Invitation for Bids Documents, Plans & Specifications to Stan Warren at the San Francisco Buildings Trade Council.

**Newspapers:** The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:
Daily Pacific Builder, (trade publication)
San Francisco Bay View, (African American community)
Sing Tao Daily, (Asian American Community)

**Additional Newspapers**: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

**Public Agency Websites**: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

**Builders Exchanges**: The Authority sent its Invitation for Bid Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- Dodge Scan/Daily Pacific Builder,
- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,

- Building Exchange of Stockton,
- Construction Data Plan Room,
- Solano-Napa Builders Exchange,
- Construction Market Data
- Sierra Contractors Exchange

The Housing Development & Modernization Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and Construction Documents (Drawings and technical specifications) furnished by the Authority's Electrical Engineering Consultant, F. W. Associates. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

Six (6) potential bidders requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on August 6, 2003. Four (4) contractors attended along with the Consultant, and Authority staff Alicia Sisca, Senior Project Manager, Paul Wilhite, Inspector, and Rufus Davis, Management Analyst.

**BIDDER SELECTION PROCESS**

The closing date for the solicitation was August 21, 2003 and the Authority received bids from two (2) responsive and responsible contractors. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval, for submission to TARC and for approval to prepare this Resolution. The contractors' bids are as follows:

**BID PROPOSALS:**

| Bidder | Bid Proposal | 25% Resident Hiring | Contractor MBE/ WBE | Sub Contractors | MBE/WBE Sub Contractor % Of Total Job | Total MBE/ WBE |
|---|---|---|---|---|---|---|
| A. S. F. ELECTRIC, INC. | $606,905 | Yes | Yes | Two | 4.5% | 100% |
| BAY CONSTRUC-TION | $610,000 | Yes | Yes | Five | 16% | 100% |

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive and responsible bidder. Based on the above, the lowest, responsive, and responsible bidder is A. S. F. ELECTRIC, INC. They are pursuing 3 positions for resident hiring. Upon request, A. S. F. ELECTRIC, INC. reviewed their bid and informed Procurement that they stood by their bid.

According to the reference check on past projects performed by A. S. F. ELECTRIC, INC., the firm is a responsible contractor with a good record. They have performed similar contracts for the

Authority and for other public agencies and have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that A. S. F. ELECTRIC, INC. is not debarred from Federal Procurement and Non-Procurement work.

**OBJECTIVES**

The objective of the Resolution is to authorize the Executive Director to enter into a contract to conduct Smoke Detector System Upgrades at CAL 1-17 A, Hunters Point A, Upper and Lower West & CAL 1-18 (4), Alice Griffith to protect the safety of resident. The scope of work can be summarized as follows:

1. Prepare schedule and conduct tenant notification (48 hours & 24 hours)
2. Smoke detector system upgrades includes but not limited to installation, removal and/or replacement of smoke detectors with wiring, electrical boxes, surface raceway, fittings and fasteners for a complete system wiring in connectively within each apartment per NFPA 72.
3. A hardwire smoke detector will be installed in every living room, hallway, and bedroom at a total of 467 dwellings units.
4. The Work will be constructed under a single prime contract.
5. The Work will be in accordance with the San Francisco Building Code, National Fire Alarm Code, and San Francisco Electrical Code and with the current codes and regulations.

**PRESENT SITUATION**

Pursuant to HUD' rules in 24 CFR Part 40, Standards for Design, Construction, and Alteration of Publicly Owned Residential Structures, and Handbook 7485.1 REV-2, PHA's are required to comply with Mandatory Standards as described on Section 1: Mandatory Standards, 2-2. Fire Protection. "All buildings shall be provided with fire protection systems consisting of egress and fire (smoke) detection, notification and control systems. Systems, materials and installations shall comply with all relevant codes or the standards in this section, whichever is more stringent; and, b. Fire Detection, Notification and Control. Fire and smoke detection, notification and control systems and related equipment shall be provided as determined by relevant codes."

The Hunter's Point A West Development consists of 213 family dwelling units; the Alice Griffith Development consists of 254 family dwelling units. Currently both developments have battery-operated smoke detectors in place, requiring battery replacement every six months. Frequently residents tamper these fixtures making them totally dysfunctional, lack of an adequate smoke detector system represents a safety hazard to residents. Through this contract the Authority will provide each of the 467 dwelling units with hardwired smoke detectors with power furnished from the building electrical system.

**ANTICIPATED OUTCOMES**

Elimination of safety hazards in the 467 residential units at Hunter's Point A West and Alice Griffith Developments, in accordance with HUD regulations.

**WHO BENEFITS**

Public housing residents will benefit from improved health, safety, and in general living

conditions. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, A. S. F. ELECTRIC, INC. is helping to create a pool of qualified residents for future work on similar Authority construction projects.

**BUDGET CONSIDERATION**

Funds are available through the Year 2002 Capital Fund Program.

**RESIDENT HIRING**

A. S. F. ELECTRIC, INC. requirement is to provide 25% resident hiring on this job. A. S. F. ELECTRIC, INC. estimates that the project will take up to 4,096 man-hours to complete. Resident employees will perform 25% or a minimum of 1,025 hours of the work, with a goal of 30% or 1,229 man-hours of the work. The Contractor will employ four workers from their current crews and three or more residents.

**MBE/WBE PARTICIPATION**

A. S. F. ELECTRIC, INC. is a Women Owned Business Enterprise.

**RECOMMENDATION**

A. S. F. ELECTRIC, INC. has submitted the lowest, responsive and responsible bid. They are committed to providing 25% resident hiring at a minimum. Funding is available in the HUD 2001 Capital Fund Program. Because the smoke detector system upgrades are needed to protect residents from safety hazards, and installation of such systems are mandated by HUD regulations, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with A. S. F. ELECTRIC, INC. for the Smoke Detector System Upgrades at CAL 1-17 A, Hunters Point A, Upper and Lower West & CAL 1-18 (4), Alice Griffith in an amount not to exceed $606,905.00.

(Prepared by: Alicia Sisca, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. 5111
ADOPTED 9/11/03

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH A. S. F. ELECTRIC, INC. TO CONDUCT SMOKE DETECTOR SYSTEM UPGRADES AT CAL 1-17 A, HUNTERS POINT A, UPPER AND LOWER WEST & CAL 1-18 (4), ALICE GRIFFITH, IN AN AMOUNT NOT TO EXCEED $606,905.00.**

**WHEREAS,** The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-IFB-039 for Smoke Detector System Upgrades at CAL 1-17 A, Hunters Point A, Upper and Lower West & CAL 1-18 (4), Alice Griffith, and

**WHEREAS**, A. S. F. ELECTRIC, INC. submitted the lowest responsive and responsible bid of $606,905.00 to provide for Smoke Detector System Upgrades at CAL 1-17 A, Hunters Point A, Upper and Lower West & CAL 1-18 (4), Alice Griffith; and

**WHEREAS**, these services are necessary to protect the health and welfare of residents, and installation is mandated by HUD regulations; and

**WHEREAS**, funding is available through the HUD 2002 Capital Fund Program; and

**WHEREAS**, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

**WHEREAS**, all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

**WHERAS**, A. S. F. ELECTRIC, INC. will meet the Resident Hiring requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The Executive Director is authorized to execute a contract with A. S. F. ELECTRIC, INC., to provide Smoke Detector System Upgrades at CAL 1-17 A, Hunters Point A, Upper and Lower West & CAL 1-18 (4), Alice Griffith for an amount Not-To-Exceed $606,905.00.

2. This Resolution shall take effect immediately.

**APPROVED AT TO FORM AND LEGALITY: REVIEWED BY:**

Donna Martin
DONNA MARTIN, Managing Attorney

Date: 9-4-03

GREGG FORTNER, Executive Director

Date: 9/5/2003

## Dahlstrom, Bob

**From:** Dahlstrom, Bob
**Sent:** Friday, August 29, 2003 5:55 PM
**To:** Roetzer, Michael; Latosa, Rene; Esparza, David
**Cc:** Smith, Barbara; Lum, Herb; Owens, Julissa; Martin, Donna; Ilalio, Lima
**Subject:** Smoke Detectors Resolution and Memo; 1st of 4 Resolutions

**Importance:** High

**Follow Up Flag:** Follow up
**Flag Status:** Flagged

Mike, Rene and David:
Attached is the **first of four** Resolutions by Housing Development and Modernization for the 9/11/03 Commission meeting.Smith, Barbara

Please vote approval or reject by 2:OOPM Tuesday, 9/3/03 as approved Resolutions are due to Legal by the close of business on Tuesday.
Thanks, Bob

HPAG Smoke
)etectors Resolutio..

**Tracking:**

| Recipient | Read | Response |
|---|---|---|
| Roetzer, Michael | Read: 9/2/2003 5:40 PM | Approve: 9/2/2003 5:45 PM |
| Latosa, Rene | Read: 9/2/2003 9:19 AM | Approve: 9/2/2003 9:20 AM |
| Esparza, David | Read: 9/1/2003 9:07 AM | Approve: 9/1/2003 10:08 AM |
| Smith, Barbara | | |
| Lum, Herb | Read: 8/31/2003 8:37 AM | |
| Owens, Julissa | Read: 9/2/2003 8:24 AM | |
| Martin, Donna | Read: 8/29/2003 5:54 PM | |
| Ilalio, Lima | Read: 9/2/2003 9:57 AM | |

## Dahlstrom, Bob

**From:** Roetzer, Michael
**Sent:** Tuesday, September 02, 2003 5:45 PM
**To:** Dahlstrom, Bob
**Subject:** Approve: Smoke Detectors Resolution and Memo; 1st of 4 Resolutions

## Dahlstrom, Bob

**From:** Latosa, Rene
**Sent:** Tuesday, September 02, 2003 9:20 AM
**To:** Dahlstrom, Bob
**Subject:** Approve: Smoke Detectors Resolution and Memo; 1st of 4 Resolutions

## Dahlstrom, Bob

**From:** Esparza, David
**Sent:** Monday, September 01, 2003 10:08 AM
**To:** Dahlstrom, Bob
**Subject:** Approve: Smoke Detectors Resolution and Memo; 1st of 4 Resolutions

**Follow Up Flag:** Follow up
**Flag Status:** Flagged

Since the contract was not included in this email, my approval is limited to only the documents included in this email.
David

# RESOLUTION - ROUTING SLIP

FOR COMMISSION MEETING OF: September 03, 2003

DATE Submitted to OGC:

FROM: Barbara Smith, Administrator, Housing Development and Modernization

Prepared by: Robert Dahlstrom RD for BTS 9/2/03

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH A. S. F. ELECTRIC INC., TO CONDUCT SMOKE DETECTOR SYSTEM UPGRADES AT CAL 1-17A, HUNTERS POINT A, UPPER AND LOWER WEST & CAL 1-18(4), ALICE GRIFFITH, IN AN AMOUNT NOT-TO-EXCEED $606,905.00.**

## APPROVALS

**1. FINANCE**

by e-mail 9/1/03

David Esparza, Administrator

Date 9/2/03

**5. OFFICE OF GENERAL COUNSEL**

Donna Mart

Donna Martin, Managing Attorney

Date 9/4/03

**2. BUDGET**

Signature

Date

**6. HOUSING MANAGEMENT**

Signature

Date

**3. PROCUREMENT**

by e-mail 9/2/03

Rene Latosa, Acting Deputy Administrator

BASS

9/2/03

**4. ADMINISTRATIVE SERVICES**

by e-mail 9/2/03

Michael Roetzer, BASS Administrator

Date 9/2/03

**7. EXECUTIVE OFFICE**

Gregg Fortner, Executive Director

Date 9/5/2003

C

**SAN FRANCISCO HOUSING AUTHORITY**
**440 Turk Street • San Francisco CA • 94112 • (415) 554-1200**

DATE: September 11, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Sululagi Palega, Sr., President*
*Julie Lee, Vice President*
*George R. Brown, Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff, Commissioner*

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH KIN WO CONSTRUCTION, INC. FOR THE REPAIR OF EXTERIOR DECK AT CAL 1-10, POTRERO ANNEX, IN AN AMOUNT NOT TO EXCEED $1,196,800.00.**

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## OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract for Exterior Deck Repairs at CAL 1-10, Potrero Annex Family Development.

The Potrero Annex Development was built on 1955 and consists of twenty-three one story and two-story buildings located along the east side of Potrero Hill District and has 137 family dwelling units. An investigation of the exterior decks conducted by Lin+Meinhard, Architect Consultant, and Structus, Inc. Structural Engineering Consultant concluded that the exterior stairs and decks are structurally unsound and have dry rot and represent a safety hazard to residents. This contract is the mechanism by which the Authority engages the services of a contractor to complete the Exterior Deck Repairs work.

## PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

**Past Bidders List, Contractors Blue Book & Yellow Pages**: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to one hundred and sixty nine (169) individual contractors (71 of which are MBE/WBE) from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

**HRC:** The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to seventy one (71) MBE/WBE contractor listed by the San Francisco Human Rights Commission.

**Labor Unions:** The Authority mailed its Invitation for Bids Documents, Plans & Specifications to Stan Warren at the San Francisco Buildings Trade Council.

**Newspapers:** The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:
Daily Pacific Builder, (trade publication)
San Francisco Bay View, (African American community)
Sing Tao Daily, (Asian American Community)

**Additional Newspapers**: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

**Public Agency Websites**: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

**Builders Exchanges**: The Authority sent its Invitation for Bid Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- Dodge Scan/Daily Pacific Builder,
- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Building Exchange of Stockton,

- Construction Data Plan Room,
- Solano-Napa Builders Exchange,
- Construction Market Data
- Sierra Contractors Exchange

The Housing Development & Modernization Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and Construction Documents (Drawings and technical specifications) furnished by the Authority's Architectural Services Consultant, Lin+Meinhart. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

Seventeen (17) potential bidders requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on August 12, 2003. In attendance were eight (8) contractors along with the Consultant, and Authority staff members.

**BIDDER SELECTION PROCESS**

The closing date for the solicitation was August 19, 2003 and the Authority received bids from two (2) responsive and responsible contractors. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval, for submission to TARC and for approval to prepare this Resolution. The contractors' bids are as follows:

**BID PROPOSALS:**

| Bidder | Bid Proposal | 25% Resident Hiring | Contractor MBE/ WBE | Sub Contractors | MBE/WBE Sub Contractor % Of Total Job | Total MBE/ WBE |
|---|---|---|---|---|---|---|
| KIN WO CONSTRUC-TION, INC. | $1,196,800 | Yes | Yes | Two | 0% | 75% |
| FINE LINE CONSTRUC-TION | $1,233,178 | Yes | Yes | Three | 7% | 50% |

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive and responsible bidder. Based on the above, the lowest, responsive and responsible bidder is KIN WO CONSTRUCTION, INC. They are pursuing 4 to 5 positions for resident hiring. Upon request, KIN WO CONSTRUCTION, INC. reviewed their bid and informed Procurement that they stood by their bid.

According to the reference check on past projects performed by KIN WO CONSTRUCTION, INC., the firm is a responsible contractor with a good record. They have performed similar contracts for other public agencies and have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that KIN WO CONSTRUCTION, INC.

is not debarred from Federal Procurement and Non-Procurement work.

**OBJECTIVES**

The objective of the Resolution is to authorize the Executive Director to enter into a contract to conduct Exterior Deck Repairs at CAL 1-10, Potrero Annex to protect the safety of resident. The scope of work can be summarized as follows:

**I. Deck Reconstruction**

A. Completely reconstruct post-and-beam framed decks located at 12 buildings.

B. Repair and replace existing damaged and deteriorated deck components on a "Unit Cost" basis at 8 buildings.

**II. Balcony Repairs**

Repair and replace damaged and deteriorated decking, framing, and guardrail components at all balconies (40 total) and stairs (19 total). Work is to be performed on a "Unit Cost" basis. Install riser closures at existing stair risers and a full height post for support of stair landing above – typical at all exterior stairs.

**III. Exterior Painting**

Paint all components of exterior decks, balconies, and stairs inclusive of guardrails and exposed portions of cantilevered framing under the balconies. Provide scaffolding and protection as required for hazardous materials abatement as part of paint preparation.

**IV. The Work will be constructed under a single prime contract.**

**V. The Work will be in accordance with the latest adopted edition of the San Francisco Building Code.**

**PRESENT SITUATION**

The Potrero Annex Development consists of 23 0ne-story and two-story buildings located on a sloping site along Missouri Street, Turner Terrace and Watchman Way in San Francisco. There are four primary building configurations designated as Building Types A, B, C & D. Type A buildings (3 total), are one-story over a basement. Type B, C and D buildings (20) total), are two-story over a basement.

The main entrance to each individual dwelling unit is accessed through an exterior wood deck located at one end of the building that leads to an exterior balcony located along the long façade of the building. The end decks are constructed of post-and beam framing and the balconies are constructed with cantilevered wood joists that extend from the building façade. Currently these structures leading to the dwelling unit entrances are in great decay and represent a safety hazard to residents. This contract is the mechanism by which the Authority engages the services of a contractor to repair the exterior decks and balconies.

**ANTICIPATED OUTCOMES**

Elimination of safety hazards in the 137 residential units at Potrero Annex in accordance with HUD regulations.

**WHO BENEFITS**

Public housing residents will benefit from improved health, safety, and in general living

conditions. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, KIN WO CONSTRUCTION, INC. is helping to create a pool of qualified residents for future work on similar Authority construction projects.

**BUDGET CONSIDERATION**

Funds are available through the Year 2001 Capital Fund Program.

**RESIDENT HIRING**

KIN WO CONSTRUCTION, INC. requirement is to provide 25% resident hiring on this job. KIN WO CONSTRUCTION, INC. estimates that the project will take up to 1,536 man-hours to complete. Resident employees will perform 25% or a minimum of 384 hours of the work, with a goal of 30% or 460 man-hours of the work. The Contractor will employ seven workers from their current crews and five or more residents.

**MBE/WBE PARTICIPATION**

KIN WO CONSTRUCTION, INC. is a certified economically disadvantaged, Local Business Enterprise/Minority Business Enterprise.

**RECOMMENDATION**

KIN WO CONSTRUCTION, INC. has submitted the lowest, responsive and responsible bid. They are committed to providing 25% resident hiring at a minimum. Funding is available in the HUD 2002 Capital Fund Programs. Because the deck and balcony repairs are needed to protect residents from safety hazards, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with KIN WO CONSTRUCTION, INC. for the Exterior Deck Repairs at CAL 1-10, Potrero Annex in an amount not to exceed $1,196,800.00.

(Prepared by: Alicia Sisca, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. 5112
ADOPTED 9/11/03

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH KIN WO CONSTRUCTION, INC. FOR THE REPAIR OF EXTERIOR DECK AT CAL 1-10, POTRERO ANNEX, IN AN AMOUNT NOT TO EXCEED $1,196,800.00.**

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**WHEREAS,** The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-IFB-037 for Exterior Deck Repairs at CAL 1-10, Potrero Annex, and

**WHEREAS**, KIN WO CONSTRUCTION, INC. submitted the lowest responsive and responsible bid of $1,196,800.00 to provide for Exterior Deck Repairs at CAL 1-10, Potrero Annex; and

**WHEREAS**, these services are necessary to protect the health and welfare of residents; and

**WHEREAS**, funding is available through the HUD 2001 Capital Fund Program; and

**WHEREAS**, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

**WHEREAS**, all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

**WHERAS**, KIN WO CONSTRUCTION, INC. will meet the Resident Hiring requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The Executive Director is authorized to execute a contract with KIN WO CONSTRUCTION, INC., to provide Exterior Deck Repairs at CAL 1-10, Potrero Annex for an amount Not-To-Exceed $1,196,800.00.

2. This Resolution shall take effect immediately.

**APPROVED AT TO FORM AND LEGALITY: REVIEWED BY:**

Donna Martin
DONNA MARTIN, Managing Attorney

Date: 9-05-03

GREGG FORTNER, Executive Director

Date: 9/5/2003

## Dahlstrom, Bob

**From:** Dahlstrom, Bob
**Sent:** Friday, August 29, 2003 6:01 PM
**To:** Roetzer, Michael; Latosa, Rene; Esparza, David
**Cc:** Smith, Barbara; Lum, Herb; Owens, Julissa; Martin, Donna; Ilalio, Lima
**Subject:** Potrero Annex Deck Repair Resolution and Memo; 2nd of 4 Resolutions

**Importance:** High

**Follow Up Flag:** Follow up
**Flag Status:** Flagged

Mike, Rene and David:
Attached is the **second of four** Resolutions by this Department for the 9/11/03 Commission meeting.

Please vote approval or reject by 2:00PM Tuesday, 9/3/03 as approved Resolutions are due to Legal by the close of business, Tuesday.
Thanks, Bob

PotreroAnnexDeck
Repair Resolut...

**Tracking:**

| Recipient | Read | Response |
|---|---|---|
| Roetzer, Michael | Read: 9/2/2003 5:36 PM | Approve: 9/2/2003 5:40 PM |
| Latosa, Rene | Read: 9/2/2003 9:18 AM | Approve: 9/2/2003 9:19 AM |
| Esparza, David | Read: 9/1/2003 9:53 AM | Approve: 9/2/2003 4:07 PM |
| Smith, Barbara | | |
| Lum, Herb | Read: 8/31/2003 8:33 AM | |
| Owens, Julissa | Read: 9/2/2003 8:25 AM | |
| Martin, Donna | Read: 9/2/2003 9:08 AM | |
| Ilalio, Lima | Read: 9/2/2003 9:56 AM | |

## Dahlstrom, Bob

**From:** Roetzer, Michael
**Sent:** Tuesday, September 02, 2003 5:40 PM
**To:** Dahlstrom, Bob
**Subject:** Approve: Potrero Annex Deck Repair Resolution and Memo; 2nd of 4 Resolutions

## Dahlstrom, Bob

**From:** Esparza, David
**Sent:** Tuesday, September 02, 2003 4:07 PM
**To:** Dahlstrom, Bob
**Subject:** Approve: Potrero Annex Deck Repair Resolution and Memo; 2nd of 4 Resolutions

## Dahlstrom, Bob

**From:** Latosa, Rene
**Sent:** Tuesday, September 02, 2003 9:19 AM
**To:** Dahlstrom, Bob
**Subject:** Approve: Potrero Annex Deck Repair Resolution and Memo; 2nd of 4 Resolutions

**Follow Up Flag:** Follow up
**Flag Status:** Flagged

# RESOLUTION - ROUTING SLIP

FOR COMMISSION MEETING OF: September 03, 2003

DATE Submitted to OGC:

FROM: Barbara Smith, Administrator, Housing Development and Modernization

Prepared by: Robert Dahlstrom RD for BTS 9/2/03

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH KIN WO CONSTRUCTION, INC. FOR THE REPAIR OF EXTERIOR DECKS AND STAIRS AT CAL 1-10, POTRERO ANNEX, IN AN AMOUNT NOT-TO-EXCEED $1,196,800.00.**

## APPROVALS

**1. FINANCE**

by e-mail 9/2/03

David Esparza, Administrator

Date 9/2/03

**5. OFFICE OF GENERAL COUNSEL**

Donna Mart

Donna Martin, Managing Attorney

Date 9-4-03

**2. BUDGET**

Signature

Date

**6. HOUSING MANAGEMENT**

Signature

Date

**3. PROCUREMENT**

by e-mail 9/2/03

Rene Latosa, Acting Deputy Administrator

BASS 9/2/03

**4. ADMINISTRATIVE SERVICES**

by e-mail 9/2/03

Michael Roetzer, BASS Administrator

Date 9/2/03

**7. EXECUTIVE OFFICE**

Gregg Fortner, Executive Director

Date 9/5/2003

D

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: September 11, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Sululagi Palega, Sr., President*
*Julie Lee, Vice President*
*George R. Brown, Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff, Commissioner*

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ARCO GRAPHICS SIGN SERVICE TO FABRICATE AND INSTALL EVACUATION AND STAIRWELL SIGNS AT CAL 1-21, 320/330 CLEMENTINA; CAL 1-19(2), 1750 McALLISTER; CAL 1-37, 491 31ST AVENUE; CAL 1-29, 345 ARGUELLO STREET; CAL 1-23, 1880 PINE STREET; CAL 1-18(13), MISSION DOLORES; CAL 1-34, 363 NOE STREET; CAL 1-36, 227 BAY STREET; CAL 1-20, 3850 18Th. STREET, IN AN AMOUNT NOT TO EXCEED $ 47,500.00.**

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## OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract for fabrication and installation of evacuation and stairwell signs at CAL 1-21, 320/330 Clementina; CAL 1-19(2), 1750 McAllister; CAL 1-37, 491 31ST Avenue; CAL 1-29, 345 Arguello Street; CAL 1-23, 1880 Pine Street; CAL 1-18(13), Mission Dolores; CAL 1-34, 363 Noe Street; CAL 1-36, 227 Bay Street; CAL 1-20, 3850 18Th. Street Developments.

San Francisco Fire Code requires property owners of mid-rise and high-rise buildings to install fire evacuation and stairwell signs to identify the fire escape routes for emergency evacuation of the building. The planned work includes design; fabrication and installation of 232 evacuation signs and 189 stairwell signs at elevator lobby and fire exit stair at the above referenced nine developments, per fire department and ADA code requirements. This contract is the mechanism by which the Authority engages the services of a licensed sign contractor to complete the evacuation and stairwell sign fabrication and installation work.

**PROCUREMENT**

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

**Prospective Bidders List, Contractors Blue Book & Yellow Pages**: The Authority e-mailed, faxed or mailed its Request for Proposals advertisement to fifty six (56) individual sign contractors from the Authority's prospective Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

**HRC**: The Authority e-mailed, faxed or mailed its Request for Proposals advertisement to seven (7) MBE/WBE contractor listed by the San Francisco Human Rights Commission. Note: Only seven contractors were listed at the time.

**Labor Unions:** The Authority mailed its Request for Proposals Documents, Plans & Specifications to Stan Warren at the San Francisco Buildings Trade Council.

**Newspapers**: The Authority publicly advertised its Request for Proposals advertisement in the following newspapers:

- Daily Pacific Builder, (trade publication)
- San Francisco Bay View, (African American community)
- Sing Tao Daily, (Asian American Community)

**Additional Newspapers**: The Authority e-mailed its Request for Proposals advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

**Public Agency Websites**: The Authority e-mailed its Request for Proposals advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

**Builders Exchanges**: The Authority sent its Request for Proposals Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- Dodge Scan/Daily Pacific Builder,
- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,

- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Building Exchange of Stockton,
- Construction Data Plan Room,
- Solano-Napa Builders Exchange,
- Construction Market Data
- Sierra Contractors Exchange

The Housing Development & Modernization Department (HD&M) developed the Request for Proposals Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and technical specifications furnished by the Authority's Housing Development and Modernization Department. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

Ten (10) potential bidders (3 of which are MBE/WBE) requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on August 12, 2003. In attendance were four contractors and Authority staff members.

**BIDDER SELECTION PROCESS**

The closing date for the solicitation was August 19, 2003. The Authority received proposals from five (5) companies. The proposals were reviewed and evaluated by HD&M and forwarded to P&C for review and approval, for submission to TARC and for approval to prepare this Resolution. The contractors' proposals are as follows:

**PROPOSALS:**

| Bidder | Bid Proposal | Contractor MBE/ WBE | Sub Contractors | MBE/ WBE | MBE/WBE Sub Contractor % Of Total Job | Total MBE/WBE |
|---|---|---|---|---|---|---|
| Ellis & Ellis | $46,405.42 | No | None | No | 0% | 0% |
| Acro Graphics Sign Service | $47,500 | No | Best MFG Megapix | Yes Yes | 45% | 45% |
| Garnett Sign Studio | $55,693 | Yes | None | Yes | 0% | 100% |
| Signs America | $61,251.42 | Yes | None | Yes | 0% | 100% |
| Priority | $77,865.84 | Yes | None | Yes | 0% | 100% |

The written proposals were reviewed by two HD&M staff members who scored each proposal against the evaluation criteria given in the Request for Proposals. The evaluation criteria were:

- Firm's past performance – 25%
- Firms experience – 25%
- M/WBE participation – 25%
- Affirmative Action Practices – 25%

**EVALUATION OF WRITTEN PROPOSALS:**

| Bidder | Score by Reviewer No. 1 | Score by Reviewer No. 2 | Average Score | Rank |
|---|---|---|---|---|
| Acro Graphics Sign Service | 96 | 100 | 98 | 1 |
| Garnett Sign Studio | 94 | 100 | 97 | 2 |
| Signs America | 92 | 90 | 91 | 3 |
| Priority | 85 | 87 | 86 | 4 |
| Ellis & Ellis | 45 | 45 | 45 | 5 |

Staff of San Francisco Housing Authority HD&M Department conducted a telephone interview with the lowest bid contractor, Ellis & Ellis Signs, on Monday, August 25, 2003. Ellis & Ellis Signs refused to comply with the Resident Hiring requirement and the MBE/WBE participation goal, and declined the Housing Authority's invitation for an oral interview. Resident hiring is a contract requirement and is not optional.

Acro Graphics Sign Service was the next lowest bidder and the highest ranked firm, based on the written proposal evaluation. On Tuesday August 26, 2003 at 2:00 p.m., Case Verploegh of Acro Graphics Sign Service came to 1815 Egbert for an oral interview. Acro Graphics Sign Service's proposal exceeds the 20% MBE/WBE participation goal. They are planning on hiring one resident and are willing to exceed the 25% Resident Hiring requirement as calculated by hours of employment.

Per HUD-5369-B Instructions to Bidders, the contract award is based on the lowest, responsive and responsible proposal. Based on the above, the lowest, responsive and responsible proposal is by Acro Graphics Sign Service. Upon request, Acro Graphics and Service reviewed their bid and informed Procurement that they stood by their bid.

According to the reference check on past projects performed by Acro Graphics Sign Service, the firm is a responsible contractor with a good record. They have performed similar contracts for other public agencies and have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that Arco Graphics Sign Service is not debarred from

Federal Procurement and Non-Procurement work.

**OBJECTIVES**

The objective of the Resolution is to authorize the Executive Director to enter into a contract to conduct evacuation sign and stairwell sign fabrication and installation at CAL 1-21, 320/330 Clementina; CAL 1-19(2), 1750 McAllister; CAL 1-37, 491 31$^{ST}$ Avenue; CAL 1-29, 345 Arguello Street; CAL 1-23, 1880 Pine Street; CAL 1-18(13), Mission Dolores; CAL 1-34, 363 Noe Street; CAL 1-36, 227 Bay Street; CAL 1-20, 3850 18Th. Street, to protect the health and safety of resident. The scope of work can be summarized as follows:

1. Inspect all properties and verify all proposed sign locations for conformity to the requirements of San Francisco Fire Department, ADA and Title 24 accessibility Codes.
2. Furnish the design of evacuation signs and stairwell signs in conforming to the Title 19 California Code of Regulations – Section 3.09, San Francisco Fire Department's requirements, ADA and Title 24 accessibility code requirements.
3. Submit sign samples and required documents to Fire Marshal of San Francisco Fire Department for approval.
4. Submit the Fire Department approved sign samples and locations to San Francisco Housing Authority for review and approval.
5. Furnish and install all approved signs to the approved locations.

**PRESENT SITUATION**

Evacuation and stair exit signs were not required by Code when the buildings were constructed but are now required in new construction. The Authority desires to enhance the life safety features in all its buildings and is undertaking these improvements in this first of three phases of work.

**ANTICIPATED OUTCOMES**

Installation of evacuation signs at elevator lobbies and stairwell signs in nine senior developments in accordance with San Francisco Fire and ADA Code requirements.

**WHO BENEFITS**

Public housing residents will benefit from improved health, safety, and in general living conditions. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, Acro Graphic Sign Service is helping to create a qualified resident for future work on similar Authority projects.

**BUDGET CONSIDERATION**

Funds are available through the Year 2001 Capital Fund Program.

**RESIDENT HIRING**

Commission Resolution No. 4967 excludes the resident hiring requirement from non-construction contracts less than $50,000. However, the estimated cost was above $50,000 so the

resident hiring requirement was included in the RFP as a contract requirement. Acro Graphics Sign Service will provide a minimum of 25% resident hiring on this job. Acro Graphics Sign Service estimates that the project will take up to 100 man-hours to complete. Resident employees will perform 25% or a minimum of 25 hours of the work, with a goal of 30% or 30 man-hours of the work. The Contractor will employ four workers from their current crews and one resident.

**MBE/WBE PARTICIPATION**

Acro Graphics Sign Service made Good Faith Efforts to sub-contract to MBE/WBE firms. Two MBE/WBE contractors participation is expected through this Contract.

**RECOMMENDATION**

Acro Graphics Sign Service has submitted the lowest, responsive and responsible proposal. They are committed to providing 25% resident hiring at a minimum. Funding is available in the HUD 2001 Capital Fund Program. Because installation of evacuation and stairwell sign is needed to protect resident, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with Acro Graphics Sign Service for the fabrication and installation of evacuation and stairwell sign at CAL 1-21, 320/330 Clementina; CAL 1-19(2), 1750 McAllister; CAL 1-37, 491 31$^{ST}$ Avenue; CAL 1-29, 345 Arguello Street; CAL 1-23, 1880 Pine Street; CAL 1-18(13), Mission Dolores; CAL 1-34, 363 Noe Street; CAL 1-36, 227 Bay Street; CAL 1-20, 3850 18Th. Street in an amount not to exceed $47,500.00.

(Prepared by: Francis Eng, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. _____
ADOPTED_____

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ACRO GRAPHICS SIGN SERVICE TO CONDUCT EVACUATION SIGN AND STAIRWELL SIGN FABRICATION AND INSTALLATION AT CAL 1-21, 320/330 CLEMENTINA; CAL 1-19(2), 1750 McALLISTER; CAL 1-37, 491 31ST AVENUE; CAL 1-29, 345 ARGUELLO STREET; CAL 1-23, 1880 PINE STREET; CAL 1-18(13), MISSION DOLORES; CAL 1-34, 363 NOE STREET; CAL 1-36, 227 BAY STREET; CAL 1-20, 3850 18Th. STREET, IN AN AMOUNT NOT TO EXCEED $47,500.00**

**WHEREAS,** The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-RFP-030 for fabrication and installation of 232 evacuation signs and 189 stairwell signs at CAL 1-21, 320/330 Clementina; CAL 1-19(2), 1750 McAllister; CAL 1-37, 491 31ST Avenue; CAL 1-29, 345 Arguello Street; CAL 1-23, 1880 Pine Street; CAL 1-18(13), Mission Dolores; CAL 1-34, 363 Noe Street; CAL 1-36, 227 Bay Street; CAL 1-20, 3850 18Th. Street, and

**WHEREAS**, Acro Graphics and Service submitted the lowest responsive and responsible proposal of $47,500.00 to provide for fabrication and installation of 232 evacuation signs and 189 stairwell signs, and

**WHEREAS**, these services are necessary to protect the health and welfare of resident; and

**WHEREAS**, funding is available through the HUD 2001 Capital Fund Program; and

**WHEREAS**, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

**WHEREAS**, all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

**WHERAS**, Acro Graphics Sign Service will meet the Resident Hiring requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The Executive Director is authorized to execute a contract with Acro Graphics Sign Service to provide evacuation sign and stairwell sign fabrication and installation at CAL 1-21, 320/330 Clementina; CAL 1-19(2), 1750 McAllister; CAL 1-37, 491 31ST Avenue; CAL 1-29, 345 Arguello Street; CAL 1-23, 1880 Pine Street; CAL 1-18(13), Mission Dolores; CAL 1-34, 363 Noe Street; CAL 1-36, 227 Bay Street; CAL 1-20, 3850 18Th. Street for an amount Not-To-Exceed $47,500.00.
2. This Resolution shall take effect immediately.

**APPROVED AT TO FORM AND LEGALITY:**

Donna Mart
DONNA MARTIN, Managing Attorney
Date: 9-4-03

**REVIEWED BY:**

GREGG FORTNER, Executive Director
Date: 9/5/2003

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

# NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, SEPTEMBER 25, 2003 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

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## AGENDA
**September 25, 2003**

DOCUMENTS DEPT.
NOV 10 2003
SAN FRANCISCO
PUBLIC LIBRARY
11-10-03A10:36 RCVD

1. ROLL CALL

   *Sululagi Palega, Sr., President*
   *Julie Lee, Vice President*
   *George R. Brown, Commissioner*
   *Betty J. Smith, Commissioner*
   *Andrew J. Clark, Commissioner*
   *Neola Gans, Commissioner*
   *Rev. George Woodruff, Commissioner*

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - September 11, 2003 Regular Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee – Nothing to Report
   Finance Committee – Nothing to Report
   Personnel Committee – Nothing to Report

7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR GENERAL LEGAL SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT-TO-EXCEED $500,000.00

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ACRO GRAPHICS SIGN SERVICE TO FABRICATE AND INSTALL EVACUATION AND STAIRWELL SIGNS AT CAL 1-21, 320/330 CLEMENTINA; CAL 1-19(2), 1750 McALLISTER; CAL 1-37, 491 31ST AVENUE; CAL 1-29, 345 ARGUELLO BLVD.; CAL 1-23, 1880 PINE STREET; CAL 1-18(13), MISSION DOLORES; CAL 1-34, 363 NOE STREET; CAL 1-36, 227 BAY STREET; CAL 1-20, 3850 18Th. STREET, IN AN AMOUNT NOT TO EXCEED $ 47,500.00

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO CONTINUE GENERAL LIABILITY INSURANCE COVERAGE WITH THE HOUSING AUTHORITY RISK RETENTION GROUP ON A MONTH-TO-MONTH, PRO-RATA BASIS, AND AUTHORIZE PAYMENT FOR SAID COVERAGE IN AN AMOUNT NOT TO EXCEED $240,000.00

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO CONTINUE PROPERTY/CASUALTY COVERAGE WITH THE HOUSING AUTHORITY INSURANCE ON A MONTH-TO-MONTH, PRO-RATA BASIS, AUTHORIZE PAYMENT FOR SAID COVERAGE IN AN AMOUNT NOT TO EXCEED $150,000.00

(C) RESOLUTION FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS

(D) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH FINE LINE CONSTRUCTION FOR THE REPAIR OF EXTERIOR DECKS & STAIRS AT CAL 1-18(7), VELASCO AVENUE, IN AN AMOUNT NOT TO EXCEED $300,966.00

(E) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH CDX BUILDERS INC. FOR THE HEATING AND HOT WATER BOILERS, AND PIPING REPLACEMENT WORK AT CAL 1-2, POTRERO TERRACE, AND CAL 1-18(10), WOODSIDE GARDENS, IN AN AMOUNT NOT TO EXCEED $783,800.00

(F) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH CDX BUILDERS FOR RANGE REPLACEMENT WORK AT CAL 1-18(10), WOODSIDE GARDENS AND CAL 1-18(13), MISSION DOLORES, IN AN AMOUNT NOT TO EXCEED $226,800.00

(G) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH BAY CONSTRUCTION COMPANY FOR THE FIRE ALARM SYSTEM UPGRADES AT CAL 1-43, ROBERT. B. PITTS PLAZA, AND CAL 1-18(7), VELASCO AVENUE, IN AN AMOUNT NOT TO EXCEED $613,000.00

(H) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SONOMARIN INC. FOR DOMESTIC HOT WATER HEATERS, STORAGE TANKS, ASSOCIATED EQUIPMENT, AND PIPE REPLACEMENT WORK AT CAL 1-1, HOLLY COURTS, IN AN AMOUNT NOT TO EXCEED $373,818.00

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

A Closed session is scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (SFHA vs. HUD and USA vs. SFHA; case name unspecified to avoid jeopardizing existing settlement negotiations).

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

A

# SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

**DATE:** **July 10, 2003**

**TO:** **SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS**

*Sululagi Palega, Sr., President*
*Julie Lee, Vice President*
*George R. Brown, Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff*, Commissioner

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR GENERAL LEGAL SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT-TO-EXCEED $500,000.

## OVERVIEW

This resolution requests the Commission to authorize the Executive Director to enter into a two-year contract for general legal services on an as-needed basis in an amount not to exceed $500,000. The SFHA occasionally requires additional legal services from time to time for consultation or for the handling of litigation-related matters in areas requiring specific expertise. The areas in which legal assistance may be required include matters related to construction, labor/personnel, civil rights/constitutional law, tort law, contract law, and other general legal matters. Services required of selected counsel may include the preparation of pleadings, responding to discovery, and appearing in court on behalf of the SFHA.

## PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities," the San Francisco Housing Authority Procurement Policy Manual, and the State of California and local laws.

The Authority issued a Request for Qualifications on February 10, 2003. The purpose of this solicitation was to obtain a list of pre-qualified law firms and sole practitioners who could provide legal services to the agency on an as-needed basis in the following areas: litigation, construction, civil rights/constitutional law, employment and labor law, and general legal services. It was anticipated that multiple awards would be made to qualified counsel to represent the Authority in various legal matters.

The February 10, 2003, solicitation was issued with a proposed due date for Proposals of March 13, 2003. The solicitation was advertised in the following media:

- The Recorder
- The City Outreach
- San Francisco Purchasing Website
- San Francisco Housing Authority Website.

Also, the Request for Proposals was issued to interested law firms and sole practitioners.

Eleven proposals were received responding to the solicitation. The firms that responded to the solicitation were:

- Erickson Beasley Hewitt & Wilson, LLP
- Gordon & Rees, KKP
- Grillo & Stevens, LLP
- Hancock, Rothert & Bunshoft, LLP
- Kauff, McClain & McGuire, LLP
- Littler Mendelson, PC
- Meyers, Nave, Riback, Silver & Wilson
- Nossaman, Gunther, Knox & Elliott, LLP
- Thompson Lawson, LLP
- Wickwire Gavin, LLP
- Wiley Price & Radulovich

**Review:** Evaluations were conducted in three parts.

First, the Contracts/Procurement Division staff conducted a preliminary examination to determine whether the submissions were minimally responsive to the RFQ. One, Thompson and Lawson, LLP, was not and, therefore, was disqualified from further consideration.

Second, written submissions of the remaining ten firms were evaluated by four Selection Review Panel members. The Panel performed technical reviews of the written materials submitted by each firm, scored the submissions, and provided the points to the Chairperson for tabulations, who then provided a summary of the group's results. The highest scores within the six legal areas were determined. Two firms, Kauff McClain, & McGuire and Wiley, Price, & Radulovich, did not rank sufficiently high for further consideration.

Third, in the last week of May 2003, the Chairperson contacted the remaining eight (8) firms by telephone and invited them to meet for an oral interview. The eight firms were interviewed on June 11-12 and the interviewees were scored by the Panel members on the basis of their presentation. The Panel's conclusions were provided to the Chairperson, who tabulated and summarized the results.

The oral and written evaluations were judged on the following criteria:

| | |
|---|---|
| • Past experience in designed practice area: | 0-50 points |
| • Capacity to provide necessary resources for matters assigned: | 0-35 points |
| • MBE/WBE programs and resident hiring: | 0-15 points |
| TOTAL | 100 points |

**SELECTION:** Using range point scores of 0 (lowest) to 100 points (highest) for both the written submittals and the oral interviews, composite scores were arrived at for the eight interviewed firms. Firms scoring 80% or higher were selected within each legal specialty.

The following is the ranking of the firms by the Selection Review Panel based on the Evaluation Criteria for each specialty area.

- Labor/Personnel

  Erickson, Beasley, Hewitt & Wilson, LLP (92.67)
  Gordon & Rees, KKP (86.33)
  Hancock, Rothert & Bunshoft, LLP (86.67)
  Littler Mendelson, PC (88.67)
  Meyers, Nave, Riback, Silver & Wilson (87.00)

- Construction

  Gordon & Rees, KKP (84.67)
  Wickwire Gavin, LLP (84.33)
  Hancock, Rothert & Bunshoft, LLP (83.67)
  Nossaman, Gunther, Knox & Elliott, LLP (82.33)

- Civil Rights/Constitutional Law

  Erickson, Beasley, Hewitt & Wilson, LLP (87.67)
  Littler Mendelson, PC (84.33)
  Meyers, Nave, Riback, Silver & Wilson (81.00)

- Tort Law

  Erickson, Beasley, Hewitt & Wilson, LLP (87.67)
  Hancock, Rothert & Bunshoft, LLP (84.67)
  Meyers, Nave, Riback, Silver & Wilson (81.00)

- Contract Law

  Meyers, Nave, Riback, Silver & Wilson (88.33)
  Wickwire Gavin, LLP (83.67)
  Nossaman, Gunther, Knox & Elliott, LLP (81.33)

- General Legal Services

  Meyers, Nave, Riback, Silver & Wilson (88.33)
  Littler Mendelson, PC (86.00)
  Nossaman, Gunther, Knox & Elliott, LLP (81.33)
  Wickwire Gavin, LLP (81.00)

**References:** Reference calls were made by the three panel members and were found favorable.

**Commitment:** All firms expressed a desire to work closely with the San Francisco Housing Authority in meeting its legal needs.

All firms were allowed to submit "best and final offers" for price competitivness, which included the option to submit blended rates. All "best and final" submissions by the firms were found to be equally competitive.

All the vendors met the Authority's criteria for legal services for each speciality area and will perform services on an as-needed basis. Three to four firms were selected to represent the Authority for each speciality area. This will enable the Housing Authority to have flexibility in assigning cases based on the nature of the case and the availability of legal counsel.

Counsel will be assigned cases on the basis of performance, availability of counsel, nature of the case, and cost of services.

**OBJECTIVE**

The SFHA has an in-house legal staff that consists of a managing attorney, two paralegals, and other support staff. Many of the legal matters are handled in-house. From time-to-time outside legal assistance is needed to work under the supervision and direction of the in-house counsel or the executive director in areas where specialized legal knowledge and experience is essential.

The areas in which legal assistance may be required include matters related to construction projects, labor issues, employment issues, personnel grievances and arbitrations, contract and tort matters, general legal advice, and constitutional and civil rights defense. The SFHA also requires legal representation in all aspects of litigation brought by or against the Authority.

**ANTICIPATED OUTCOMES**

It is anticipated that outside legal expertise and services will assist the Authority to operate in a more effective and efficient manner. The funding of outside legal services will provide the resources to obtain the technical legal advice and assistance the Authority needs for new ventures and business relationships. It will also enable the Authority to secure effective legal representation when it is threatened with exposure to liability or when it must make key decisions affecting its operations. The availability of outside counsel on an as-needed basis will allow for a breadth of experience in the defense of all types of claims or cases and will provide sufficient staffing and expertise to respond promptly and comprehensively to complaints filed.

**WHO BENEFITS**

The residents of SFHA development sites, the Housing Authority, and the City and County of San Francisco will benefit from the professional services and advice of experienced and qualified legal counsel. The Authority will be able to operate more effectively when it can rely upon the advice of competent counsel and when it can respond promptly to contentious matters. This should result in the prevention of costly mistakes and unnecessary attention.

In addition, the RFQ sought hourly rates for legal fees that were reasonable and competitive. The firms were encouraged to provide alternate billing rates to their traditional hourly fees. A number of the firms gave lower, preferential rates to the Authority, as a public agency, in contrast to the fees charged their private clientele. Since the proposed cost was excluded as a factor in the evaluation and selection factors, the specific fees will be negotiated on a case-by-case basis.

**BUDGET CONSIDERATIONS**

Funding has been budgeted from operating funds for legal services.

**RESIDENT HIRING**

As this contract requests services as-needed, resident hiring will be determined on a situational basis.

**MBE/WBE PARTICIPATION**

Each firm is committed to promoting the goals of MBE/WBE. One firm is minority owned, and all firms outlined in their proposals their programs that provide opportunities for minorities and women.

**RECOMMENDATION**

I recommend that the Board approve this resolution to increase funding for a two-year general legal services contract.

**RESOLUTION NO.** 5113

**DATE ADOPTED:** 9/25/03

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT ~~FOR GENERAL LEGAL SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT-TO-EXCEED $500,000~~** NOT TO EXCEED $250,000, FOR GENERAL LEGAL SERVICES ON AN AS-NEEDED BASIS [AS AMENDED]

**WHEREAS**, the Health and Safety Code, section 34279 authorizes the Housing Authority of the City and County of San Francisco ("SFHA") to employ its own counsel and legal staff; and

**WHEREAS**, the SFHA requires additional legal services to adequately defend its interest in various legal matters; and

**WHEREAS**, the SFHA sent out to bid the Request for Qualifications (RFQ # ) for various legal services; and

**WHEREAS**, a qualified team consisting of three legal consultants experienced in public housing legal matters reviewed the RFQs and determined that all of the selected firms meet the qualifications stated in said RFQ; and

**WHEREAS**, the following firms have been selected to provide services in the following areas of legal practice:

*LABOR/ PERSONNEL law* – Erickson Beasley Hewitt & Wilson, LLP; Gordon & Rees, LLP; Hancock Rothert & Bunshoft, LLP; Littler Mendelson, PC; Meyers Nave Riback Silver & Wilson

*CONSTRUCTION law* – Gordon & Reese, LLP; Hancock Rothert & Bunshoft, LLP; Nossaman, Guthner, Knox & Elliott, LLP; Wickwire Gavin, LLP

*CIVIL RIGHTS/ CONSTITUTIONAL* – Erickson Beasley Hewitt & Wilson, LLP; Littler Mendelson, PC; Meyers Nave Riback Silver & Wilson

*TORT LAW* – Erickson Beasley Hewitt & Wilson, LLP; Hancock Tothert & Bunshoft, LLP; Meyers Nave Riback Silver & Wilson

*CONTRACT LAW* – Meyers, Nave, Riback, Silver & Wilson; Nossaman, Guthner, Knox & Elliott, LLP; Wickwire Gavin, LLP

**WHEREAS**, contract terms are to be negotiated with these firms on an as-need basis, subject to approval of individual contracts by this Commission and/or HUD, as may be required;

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The establishment of the list of qualified law practitioners available to represent the Housing Authority is hereby approved in the following areas of legal practice: Labor/ Personnel Law; Construction Law; Civil Rights/ Constitutional Law; Tort Law; Contract Law.

2. The Executive Director, or his designee, is hereby authorized to meet and negotiate appropriate contract terms and enter into contracts for legal services with each of the firms listed above on an as-needed basis subject to approval of individual contracts by this Commission and/or HUD as may be required.

3. This resolution shall take effect immediately.

**APPROVED AS TO FORM AND LEGALITY:**

Donna Mart

**DONNA MARTIN**
**Agency Counsel**

**Date:** 9-5-03

**REVIEWED BY:**

**GREGG FORTNER**
**Executive Director/ Secretary**

**Date:** 9/5/2003

U-B

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: September 11, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Sululagi Palega, Sr., President*
*Julie Lee, Vice President*
*George R. Brown, Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff, Commissioner*

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ACRO GRAPHICS SIGN SERVICE TO FABRICATE AND INSTALL EVACUATION AND STAIRWELL SIGNS AT CAL 1-21, 320/330 CLEMENTINA; CAL 1-19(2), 1750 McALLISTER; CAL 1-37, 491 31ST AVENUE; CAL 1-29, 345 ARGUELLO BLVD.; CAL 1-23, 1880 PINE STREET; CAL 1-18(13), MISSION DOLORES; CAL 1-34, 363 NOE STREET; CAL 1-36, 227 BAY STREET; CAL 1-20, 3850 18Th. STREET, IN AN AMOUNT NOT TO EXCEED $47,500.00.**

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**OVERVIEW**

This Resolution will authorize the Executive Director to enter into a contract for fabrication and installation of evacuation and stairwell signs at CAL 1-21, 320/330 Clementina; CAL 1-19(2), 1750 McAllister; CAL 1-37, 491 31ST Avenue; CAL 1-29, 345 Arguello Street; CAL 1-23, 1880 Pine Street; CAL 1-18(13), Mission Dolores; CAL 1-34, 363 Noe Street; CAL 1-36, 227 Bay Street; CAL 1-20, 3850 18Th. Street Developments.

San Francisco Fire Code requires property owners of mid-rise and high-rise buildings to install fire evacuation and stairwell signs to identify the fire escape routes for emergency evacuation of the building. The planned work includes design; fabrication and installation of 232 evacuation signs and 189 stairwell signs at elevator lobby and fire exit stair at the above referenced nine developments, per fire department and ADA code requirements. This contract is the mechanism by which the Authority engages the services of a licensed sign contractor to complete the evacuation and stairwell sign fabrication and installation work.

**PROCUREMENT**

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing A[redacted]ndian Housing Authorities", the San Francisco Housing Authority Procurement Poli[redacted] the State of California and local laws.

**Prospective Bidders List, Contractors Blue Book & Yellow Pages**: The Authority e-mailed, faxed or mailed its Request for Proposals advertisement to fifty six (56) individual sign contractors from the Authority's prospective Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

**HRC**: The Authority e-mailed, faxed or mailed its Request for Proposals advertisement to seven (7) MBE/WBE contractor listed by the San Francisco Human Rights Commission. Note: Only seven contractors were listed at the time.

**Labor Unions:** The Authority mailed its Request for Proposals Documents, Plans & Specifications to Stan Warren at the San Francisco Buildings Trade Council.

**Newspapers**: The Authority publicly advertised its Request for Proposals advertisement in the following newspapers:

- Daily Pacific Builder, (trade publication)
- San Francisco Bay View, (African American community)
- Sing Tao Daily, (Asian American Community)

**Additional Newspapers**: The Authority e-mailed its Request for Proposals advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

**Public Agency Websites**: The Authority e-mailed its Request for Proposals advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

**Builders Exchanges**: The Authority sent its Request for Proposals Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- Dodge Scan/Daily Pacific Builder,
- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,

- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Building Exchange of Stockton,
- Construction Data Plan Room,
- Solano-Napa Builders Exchange,
- Construction Market Data
- Sierra Contractors Exchange

The Housing Development & Modernization Department (HD&M) developed the Request for Proposals Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and technical specifications furnished by the Authority's Housing Development and Modernization Department. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

Ten (10) potential bidders (3 of which are MBE/WBE) requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on August 12, 2003. In attendance were four contractors and Authority staff members.

**BIDDER SELECTION PROCESS**

The closing date for the solicitation was August 19, 2003. The Authority received proposals from five (5) companies. The proposals were reviewed and evaluated by HD&M and forwarded to P&C for review and approval, for submission to TARC and for approval to prepare this Resolution. The contractors' proposals are as follows:

**PROPOSALS:**

| Bidder | Bid Proposal | Contractor MBE/ WBE | Sub Contractors | MBE/ WBE | MBE/WBE Sub Contractor % Of Total Job | Total MBE/WBE |
|---|---|---|---|---|---|---|
| Ellis & Ellis | $46,405.42 | No | None | No | 0% | 0% |
| Acro Graphics Sign Service | $47,500 | No | Best MFG Megapix | Yes Yes | 45% | 45% |
| Garnett Sign Studio | $55,693 | Yes | None | Yes | 0% | 100% |
| Signs America | $61,251.42 | Yes | None | Yes | 0% | 100% |
| Priority | $77,865.84 | Yes | None | Yes | 0% | 100% |

The written proposals were reviewed by two HD&M staff members who scored each proposal against the evaluation criteria given in the Request for Proposals. The evaluation criteria were:

- Firm's past performance – 25%
- Firms experience – 25%
- M/WBE participation – 25%
- Affirmative Action Practices – 25%

**EVALUATION OF WRITTEN PROPOSALS:**

| Bidder | Score by Reviewer No. 1 | Score by Reviewer No. 2 | Average Score | Rank |
|---|---|---|---|---|
| Acro Graphics Sign Service | 96 | 100 | 98 | 1 |
| Garnett Sign Studio | 94 | 100 | 97 | 2 |
| Signs America | 92 | 90 | 91 | 3 |
| Priority | 85 | 87 | 86 | 4 |
| Ellis & Ellis | 45 | 45 | 45 | 5 |

Staff of San Francisco Housing Authority HD&M Department conducted a telephone interview with the lowest bid contractor, Ellis & Ellis Signs, on Monday, August 25, 2003. Ellis & Ellis Signs refused to comply with the Resident Hiring requirement and the MBE/WBE participation goal, and declined the Housing Authority's invitation for an oral interview. Resident hiring is a contract requirement and is not optional.

Acro Graphics Sign Service was the next lowest bidder and the highest ranked firm, based on the written proposal evaluation. On Tuesday August 26, 2003 at 2:00 p.m., Case Verploegh of Acro Graphics Sign Service came to 1815 Egbert for an oral interview. Acro Graphics Sign Service's proposal exceeds the 20% MBE/WBE participation goal. They are planning on hiring one resident and are willing to exceed the 25% Resident Hiring requirement as calculated by hours of employment.

Per HUD-5369-B Instructions to Bidders, the contract award is based on the lowest, responsive and responsible proposal. Based on the above, the lowest, responsive and responsible proposal is by Acro Graphics Sign Service. Upon request, Acro Graphics and Service reviewed their bid and informed Procurement that they stood by their bid.

According to the reference check on past projects performed by Acro Graphics Sign Service, the firm is a responsible contractor with a good record. They have performed similar contracts for other public agencies and have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that Arco Graphics Sign Service is not debarred from

Federal Procurement and Non-Procurement work.

**OBJECTIVES**

The objective of the Resolution is to authorize the Executive Director to enter into a contract to conduct evacuation sign and stairwell sign fabrication and installation at CAL 1-21, 320/330 Clementina; CAL 1-19(2), 1750 McAllister; CAL 1-37, 491 31$^{ST}$ Avenue; CAL 1-29, 345 Arguello Blvd.; CAL 1-23, 1880 Pine Street; CAL 1-18(13), Mission Dolores; CAL 1-34, 363 Noe Street; CAL 1-36, 227 Bay Street; CAL 1-20, 3850 18Th. Street, to protect the health and safety of resident. The scope of work can be summarized as follows:

1. Inspect all properties and verify all proposed sign locations for conformity to the requirements of San Francisco Fire Department, ADA and Title 24 accessibility Codes.
2. Furnish the design of evacuation signs and stairwell signs in conforming to the Title 19 California Code of Regulations – Section 3.09, San Francisco Fire Department's requirements, ADA and Title 24 accessibility code requirements.
3. Submit sign samples and required documents to Fire Marshal of San Francisco Fire Department for approval.
4. Submit the Fire Department approved sign samples and locations to San Francisco Housing Authority for review and approval.
5. Furnish and install all approved signs to the approved locations.

**PRESENT SITUATION**

Evacuation and stair exit signs were not required by Code when the buildings were constructed but are now required in new construction. The Authority desires to enhance the life safety features in all its buildings and is undertaking these improvements in this first of three phases of work.

**ANTICIPATED OUTCOMES**

Installation of evacuation signs at elevator lobbies and stairwell signs in nine senior developments in accordance with San Francisco Fire and ADA Code requirements.

**WHO BENEFITS**

Public housing residents will benefit from improved health, safety, and in general living conditions. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, Acro Graphic Sign Service is helping to create a qualified resident for future work on similar Authority projects.

**BUDGET CONSIDERATION**

Funds are available through the Year 2001 Capital Fund Program.

**RESIDENT HIRING**

Commission Resolution No. 4967 excludes the resident hiring requirement from non-construction contracts less than $50,000. However, the estimated cost was above $50,000 so the

resident hiring requirement was included in the RFP as a contract requirement. Acro Graphics Sign Service will provide a minimum of 25% resident hiring on this job. Acro Graphics Sign Service estimates that the project will take up to 100 man-hours to complete. Resident employees will perform 25% or a minimum of 25 hours of the work, with a goal of 30% or 30 man-hours of the work. The Contractor will employ four workers from their current crews and one resident.

**MBE/WBE PARTICIPATION**

Acro Graphics Sign Service made Good Faith Efforts to sub-contract to MBE/WBE firms. Two MBE/WBE contractors participation is expected through this Contract.

**RECOMMENDATION**

Acro Graphics Sign Service has submitted the lowest, responsive and responsible proposal. They are committed to providing 25% resident hiring at a minimum. Funding is available in the HUD 2001 Capital Fund Program. Because installation of evacuation and stairwell sign is needed to protect resident, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with Acro Graphics Sign Service for the fabrication and installation of evacuation and stairwell sign at CAL 1-21, 320/330 Clementina; CAL 1-19(2), 1750 McAllister; CAL 1-37, 491 31$^{ST}$ Avenue; CAL 1-29, 345 Arguello Blvd.; CAL 1-23, 1880 Pine Street; CAL 1-18(13), Mission Dolores; CAL 1-34, 363 Noe Street; CAL 1-36, 227 Bay Street; CAL 1-20, 3850 18Th. Street in an amount not to exceed $47,500.00.

(Prepared by: Francis Eng, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. _____
ADOPTED _____

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ACRO GRAPHICS SIGN SERVICE TO CONDUCT EVACUATION SIGN AND STAIRWELL SIGN FABRICATION AND INSTALLATION AT CAL 1-21, 320/330 CLEMENTINA; CAL 1-19(2), 1750 McALLISTER; CAL 1-37, 491 31ST AVENUE; CAL 1-29, 345 ARGUELLO BLVD.; CAL 1-23, 1880 PINE STREET; CAL 1-18(13), MISSION DOLORES; CAL 1-34, 363 NOE STREET; CAL 1-36, 227 BAY STREET; CAL 1-20, 3850 18Th. STREET, IN AN AMOUNT NOT TO EXCEED $47,500.00**

**WHEREAS,** The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-RFP-030 for fabrication and installation of 232 evacuation signs and 189 stairwell signs at CAL 1-21, 320/330 Clementina; CAL 1-19(2), 1750 McAllister; CAL 1-37, 491 31ST Avenue; CAL 1-29, 345 Arguello Blvd.; CAL 1-23, 1880 Pine Street; CAL 1-18(13), Mission Dolores; CAL 1-34, 363 Noe Street; CAL 1-36, 227 Bay Street; CAL 1-20, 3850 18Th. Street, and

**WHEREAS**, Acro Graphics and Service submitted the lowest responsive and responsible proposal of $47,500.00 to provide for fabrication and installation of 232 evacuation signs and 189 stairwell signs, and

**WHEREAS**, these services are necessary to protect the health and welfare of resident; and

**WHEREAS**, funding is available through the HUD 2001 Capital Fund Program; and

**WHEREAS**, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

**WHEREAS**, all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

**WHERAS**, Acro Graphics Sign Service will meet the Resident Hiring requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The Executive Director is authorized to execute a contract with Acro Graphics Sign Service to provide evacuation sign and stairwell sign fabrication and installation at CAL 1-21, 320/330 Clementina; CAL 1-19(2), 1750 McAllister; CAL 1-37, 491 31ST Avenue; CAL 1-29, 345 Arguello Blvd.; CAL 1-23, 1880 Pine Street; CAL 1-18(13), Mission Dolores; CAL 1-34, 363 Noe Street; CAL 1-36, 227 Bay Street; CAL 1-20, 3850 18Th. Street for an amount Not-To-Exceed $47,500.00.
2. This Resolution shall take effect immediately.

**APPROVED AT TO FORM AND LEGALITY:**

Donna Martin
DONNA MARTIN, Managing Attorney
Date: 9-19-03

**REVIEWED BY:**

GREGG FORTNER, Executive Director
Date: 9/19/2003

A

# SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

September 19, 2003

**TO:** SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Sululagi Palega, Sr., President*
*Julie Lee, Vice-President*
*George R. Brown, Commissioner*
*Betty Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*Rev. George Woodruff, Commissioner*

**FROM:** Gregg Fortner, SECRETARY/EXECUTIVE DIRECTOR

**SUBJECT:** RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO CONTINUE GENERAL LIABILITY INSURANCE COVERAGE WITH THE HOUSING AUTHORITY RISK RETENTION GROUP ON A MONTH-TO-MONTH, PRO-RATA BASIS, AND AUTHORIZE PAYMENT FOR SAID COVERAGE IN AN AMOUNT NOT TO EXCEED $240,000.00

---

**OVERVIEW:**

The San Francisco Housing Authority's general liability coverage with the Housing Authority Risk Retention Group is due to expire on October 1, 2003.

Pursuant to Section 305, Part Two of the Annual Contributions Contract dated August 27, 1964, as amended between the Housing Authority and City and County of San Francisco and the U.S. Department of Urban Development ("HUD"), the Authority is required to insure its interest against risks associated with its particular type of operation, i.e., low income housing.

In the 1980's when the Authority solicited insurance coverage from the private sector the market had hardened, making it virtually impossible to obtain the necessary coverage.

Seeing the need, Congress enacted a law entitled Risk Retention Amendments of 1986 ("the Act"), codified at 15 U.S.C., sections 3901-3906, authorizing the formation of risk retention groups by governmental entities such as Public Housing Authorities ("PHAs").

The Authority, by Resolution No. 3006, dated May 28, 1987, accepted membership into the Housing Authority Risk Retention Group ("HARRG"), a nationwide insurance provider meeting the requirements of the Act. The Authority has maintained a relationship with HARRG for the past sixteen years.

However, in a continued effort to reduce insurance cost and obtain quotes from insurance companies in the private market, solicitation information was sent to nineteen (19) brokerage firms. Of the nineteen firms that information packets were sent to, five responded. Of the five responses, three expressed interest in soliciting quotes for general liability coverage. The solicitation process began in July 2003.

Throughout the solicitation process, the brokerage firms working with the Authority have required additional information in order to complete the process. Although there is interest expressed by various markets, the Authority has yet to receive any firm quotes.

**OBJECTIVE:**

The objective is to obtain general liability insurance coverage for the 2003-2004 policy period that is most advantageous and affordable for the Authority.

**PRESENT SITUATION:**

Presently, HARRG provides coverage to the Authority in the following areas:

- Property Damage & Bodily Injury - $5 mil/occurence/$5 mil/aggregate; $25k deductible
- Public Officials - $1 mil/occurrence/$1 mil/aggregate; $25k deductible
- Employment Practices - $1 mil/occurrence/$2 mil/aggregate; $25k deductible
- Lead-Based Paint - $500k/occurrence/$500k/aggregate;$25k deductible
- Law Enforcement - $1 mil/$1mil; $25k deductible
- Employee Benefits - $25k/$50; $1k deductible
- Non-Owned & Hired Auto - $1 mil/$1 mil; $0 deductible

The premium for the expiring coverage was $1,677,744.00. The Authority's current general liability insurance with HARRG was due to expire on October 1, 2003.

However, coverage will continue with the approval of this resolution. The Authority will then be able to continue with its solicitation without any lapse in coverage.

**WHO BENEFITS:**

The Authority benefits from continuing its coverage with HARRG because it will ensure there is no lapse in coverage. The Authority will continue with the solicitation process, which is estimated to be completed within 30 days. At that time, a recommendation will be made to this Commission advising which quote is the most advantageous for the Authority.

**BUDGET:**

Funding is available as part of the Authority's 2003-2004 Low Income Operating Budget and Section 8 Budget.

**RECOMMENDATION:**

It is recommended that the Authority continue its general liability coverage with the Housing Authority Risk Retention Group for the 2003-2004 policy period.

(Prepared by Victoria Adams through Donna Martin, Office of the General Counsel)

RESOLUTION NO. 5114
ADOPTED 9/25/03

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO CONTINUE GENERAL LIABILITY INSURANCE COVERAGE WITH THE HOUSING AUTHORITY RISK RETENTION GROUP ~~ON A MONTH-TO-MONTH~~, PRO-RATA BASIS, AND AUTHORIZE PAYMENT FOR SAID COVERAGE IN AN AMOUNT NOT TO EXCEED $240,000.00 NOT TO EXCEED TWO MONTHS, ON A [AS AMENDED]

WHEREAS, Section 305, Part Two of the Annual Contributions Contract dated August 27, 1964, as amended, between the Housing Authority of the City and County of San Francisco ("the Authority") and the U.S. Department of Housing and Urban Development ("HUD") requires the Authority to insure its interests against risks associated with its particular type of operations; and

WHEREAS, the Authority, by Resolution No. 3006, dated May 28, 1987, became a charter member in the Housing Authority Risk Retention Group ("HARRG") for the provision of general liability; and

WHERAS, HARRG is a nationwide insurance provider meeting the requirements of the HUD Appropriations Act; and

WHEREAS, the Authority's current policy with HARRG is due to expire on October 1, 2003; and

WHEREAS, in an effort to reduce the Authority's insurance premium and obtain additional quotes for the 2003-2004 policy period, the Authority began the solicitation process in July 2003; and

WHEREAS, three brokerage firms responded to the portion of the solicitation relating to general liability coverage; and

WHERES, in an effort to obtain general liability insurance coverage for the 2003-2004 policy period that is most advantageous and affordable for the Authority; and

WHEREAS, to ensure that there is no lapse in coverage, the Authority needs to extend coverage with the Housing Authority Risk Retention Group; and

WHEREAS, coverage with the Housing Authority Risk Retention Group must be bound and the costs pro rated on a month to month basis; and

WHEREAS, funding is available as part of the Authority's 2003-2004 Low Income Operating Budget and its Section 8 Budget;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is hereby authorized to continue coverage with the Housing Authority Risk Retention Group and execute a purchase order to pay the same in an amount not to exceed $240,000.00.

2. This resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin
DONNA MARTIN
General Counsel

9-19-03
DATE

REVIEWED BY:

GREGG FORTNER
Executive Director

9/19/2003
DATE

B

# SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

September 19, 2003

**TO:** SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

***Sululagi Palega, Sr., President***
***Julie Lee, Vice-President***
***George R. Brown, Commissioner***
***Betty Smith, Commissioner***
***Andrew J. Clark, Commissioner***
***Neola Gans, Commissioner***
***Rev. George Woodruff, Commissioner***

**FROM:** Gregg Fortner, SECRETARY/EXECUTIVE DIRECTOR

**SUBJECT:** RESLOUTION AUTHOZIING THE EXECUTIVE DIRECTOR TO CONTINUE PROPERTY/CASUALTY INSURANCE COVERAGE WITH THE HOUSING AUTHORITY INSURANCE ON A MONTH-TO-MONTH, PRO-RATA BASIS, AND AUTHORIZE PAYMENT FOR SAID COVERAGE IN AN AMOUNT NOT TO EXCEED $150,000.00

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**OVERVIEW:**

The San Francisco Housing Authority's property/casualty coverage with the Housing Authority Property Insurance Company is due to expire on October 1, 2003.

Pursuant to Section 305, Part Two of the Annual Contributions Contract dated August 27, 1964, as amended between the Housing Authority and City and County of San Francisco and the U.S. Department of Urban Development ("HUD"), the Authority is required to insure its interest against risks associated with its particular type of operation, i.e., low income housing.

Seeing the need, Congress enacted a law entitled Risk Retention Amendments of 1986 ("the Act"), codified at 15 U.S.C., sections 3901-3906, authorizing the formation of risk retention groups by governmental entities such as Public Housing Authorities ("PHAs").

The Authority moved its property coverage to the Housing Authority Insurance Group, which was renewed by Resolution No. 5062 dated October 24, 2002.

In a continued effort to reduce insurance cost and obtain quotes from insurance companies in the private market, solicitation information was sent to nineteen (19) brokerage firms. Of the nineteen firms that information packets were sent to, five responded. Of the five responses, three expressed interest in soliciting quotes for property/casualty coverage. The solicitation process began in July 2003.

Throughout the solicitation process, the brokerage firms working with the Authority have required additional information in order to complete the process. Although there is interest expressed by various markets, the Authority has yet to receive any firm quotes.

**OBJECTIVE:**

The objective is to obtain property/casualty insurance coverage for the 2003-2004 policy period that is most advantageous and affordable for the Authority.

**PRESENT SITUATION:**

Presently, HAPI provides coverage for all of SFHA's sites, which are valued at $424,000,000.00. The annual premium for the expiring coverage is $676,800.00, with a $25,000.00 deductible per loss. The Authority's current property/casualty coverage with HAPI was due to expire on October 1, 2003.

However, coverage will continue with the approval of this resolution. The Authority will then be able to continue with its solicitation without any lapse in coverage.

**WHO BENEFITS:**

The Authority benefits from continuing its coverage with HAPI because it will ensure there is no lapse in coverage. The Authority will continue with the solicitation process, which is estimated to be completed within 30 days. At that time, a recommendation will be made to this Commission advising which quote is the most advantageous for the Authority.

**BUDGET:**

Funding is available as part of the Authority's 2003-2004 Low Income Operating Budget and Section 8 Budget.

**RECOMMENDATION:**

It is recommended that the Authority continue its property/casualty coverage with the Housing Authority Property Insurance Company for the 2003-2004 policy period.

(Prepared by Victoria Adams through Donna Martin, Office of the General Counsel)

RESOLUTION NO. 5115
ADOPTED 9/25/03

RESLOUTION AUTHOZIING THE EXECUTIVE DIRECTOR TO CONTINUE PROPERTY/CASUALTY INSURANCE COVERAGE WITH THE HOUSING AUTHORITY INSURANCE ~~ON A MONTH-TO-MONTH~~, PRO-RATA BASIS, AND AUTHORIZE PAYMENT FOR SAID COVERAGE IN AN AMOUNT NOT TO EXCEED $150,000.00 NOT TO EXCEED TWO MONTHS, ON A [AS AMENDED]

WHEREAS, Section 305, Part Two of the Annual Contributions Contract dated August 27, 1964, as amended, between the Housing Authority of the City and County of San Francisco ("the Authority") and the U.S. Department of Housing and Urban Development ("HUD") requires the Authority to insure its interests against risks associated with its particular type of operations; and

WHEREAS, by Resolution No.5062 dated October 24, 2002, the Authority renewed its coverage with the Housing Authority Property Insurance Company ("HAPI"); and

WHERAS, HAPI is a nationwide insurance provider meeting the requirements of the HUD Appropriations Act; and

WHEREAS, the Authority's current policy with HAPI is due to expire on October 1, 2003; and

WHEREAS, in an effort to reduce the Authority's insurance premium and obtain additional quotes for the 2003-2004 policy period, the Authority began the solicitation process in July 2003; and

WHEREAS, three brokerage firms responded to the portion of the solicitation relating to general property/casualty coverage; and

WHERES, in an effort to obtain property/casualty insurance coverage for the 2003-2004 policy period that is most advantageous and affordable for the Authority; and

WHEREAS, to ensure that there is no lapse in coverage, the Authority needs to extend coverage with the Housing Authority Property Insurance Company; and

WHEREAS, coverage with the Housing Authority Property Insurance Company must be bound and the costs pro rated on a month to month basis; and

WHEREAS, funding is available as part of the Authority's 2003-2004 Low Income Operating Budget and its Section 8 Budget;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is hereby authorized to continue coverage with the Housing Authority Property Insurance Company and execute a purchase order to pay the same in an amount not to exceed $150,000.00.

2. This resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin
DONNA MARTIN
General Counsel

9-19-03
DATE

REVIEWED BY:

GREGG FORTNER
Executive Director

9/19/2003
DATE

C

# SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

**Date:** September 25, 2003

**To:** San Francisco Housing Authority Commissioners

*Sululagi Palega, Sr., President*
*Julie Lee, Vice President*
*George R. Brown, Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*Reverend George Woodruff, Commissioner*

**From:** Gregg Fortner, Secretary/Executive Director

**Subject:** **RESOLUTION FOR PAYMENT AND REPORTING THE VALUE OF EMPLOYER PAID MEMBERS CONTRIBUTIONS TO CALPERS**

## Overview

At its May 8, 2003 meeting the Commission adopted resolution number 5098 ratifying the Memorandum of Understanding (MOU) between the San Francisco Housing Authority (SFHA) and the Services Employees International Union local 790, AFL-CIO.

This MOU contained a provision that specifically provides for the normal employee retirement contribution (currently 7%) be paid by the SFHA on behalf of the employees and reported as additional compensation.

To implement this agreed upon contribution, CalPERS requires a resolution acknowledging the SFHA's 7% payment of the member's retirement contribution. The resolution also allows the retirement contributions to be reported as compensation for the purposes of monthly benefit determination upon retirement.

This resolution must be adopted as worded by CalPERS.

**Anticipated Outcome**

To implement the provision of the MOU as it pertains to Employer Paid Member Contributions.

**Who Benefits**

The SFHA benefits by complying with the previously ratified MOU provision. The employees benefit by deriving significant economic benefit since the SFHA will be paying the employee's CalPERS contributions.

**Budget Considerations**

The payment to CalPERS will be made on the following schedule:

| | | |
|---|---|---|
| October 1, 2003 | Shall pay | 2.0% |
| April 1, 2004 | Shall pay | 1.0% (total of 3%) |
| October 1, 2004 | Shall pay | 1.0% (total of 4%) |
| April 1, 2005 | Shall pay | 1.0% (total of 5%) |
| September 30, 2005 | Shall pay | 2.0% (total of 7%) |

The costs associated with the execution of this action have been budgeted and will be cost allocated as appropriate in accordance with Federal Regulations to various funding sources of the SFHA. The cost for the fiscal year beginning Oct 1, 2003 is approximately $288,475.00.

**Recommendation**

Adopt the resolution for paying and reporting the value of Employer Paid Member Contributions to CalPERS as agreed in the MOU between the SFHA and Local 790 AFL-CIO.

**Resolution No.** 5116

**Date Adopted** 9/25/03

# RESOLUTION FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS

**WHEREAS,** the governing body of the San Francisco Housing Authority ("Authority") has the authority to implement Government Code Section 20636(c)(4) pursuant to Section 20691; and

**WHEREAS,** the governing body of the Authority has written labor policy or agreement that specifically provides for the normal member contributions to be paid by the employer, and reported as additional compensation; and

**WHEREAS,** one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the Authority of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC); and

**WHEREAS,** the governing body of the Authority has identified the following conditions for the purpose of its election to pay EPMC:

- This benefit shall apply to all employees in the Services Employees International Union Local 790, AFL-CIO.
- This benefit shall consist of paying seven (7) percent of the normal contributions as EPMC, and reporting that same dollar amount as compensation earnable (excluding Government Code Section 20636(c)(4)1 as additional compensation). The seven (7) percent contribution will be paid over a two year period of time and reported on the employees behalf according to the following schedule:

| | | |
|---|---|---|
| October 1, 2003 | Shall pay | 2.0% |
| April 1, 2004 | Shall pay | 1.0% (total of 3%) |
| October 1, 2004 | Shall pay | 1.0% (total of 4%) |
| April 1, 2005 | Shall pay | 1.0% (total of 5%) |
| September 30, 2005 | Shall pay | 2.0% (total 7%) |

**NOW, THEREFORE, BE IT RESOLVED,** that the governing body of the Authority elects to pay and report the value of EPMC, as set forth above.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin, General Counsel

REVIEWED BY:

Gregg Fortner, Executive Director

D

**SAN FRANCISCO HOUSING AUTHORITY**
440 Turk Street • San Fra ncisco CA • 94112 • (415) 554-1200

DATE: September 25, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Sululagi Palega, Sr., President*
*Julie Lee, Vice President*
*George R. Brown, Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff, Commissioner*

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH FINE LINE CONSTRUCTION FOR THE REPAIR OF EXTERIOR DECKS & STAIRS AT CAL 1-18(7), VELASCO AVENUE, IN AN AMOUNT NOT TO EXCEED $300,966**

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## OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract with Fine Line Construction for the Repair of Exterior Decks & Stairs at CAL 1-18(7), Velasco Avenue, a Senior Development.

Velasco Avenue is an 18 unit, two story building, built in 1962. The exterior concrete deck has cracks and spalls along the edge, and the supporting structural steel beams and fascia boards have deteriorated and are in need of immediate repair. The three exterior steel stairs have corroded beyond repair and need immediate replacement. The supporting structural steel stringers of these stairs have extensive to severe damage and pose an immediate life safety threat.

## PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Housing Development & Modernization Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and Construction Documents (Drawings and technical specifications) furnished by the Authority's Architectural and Engineering Services Consultant, the KPA Group. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

The Authority advertised for bidders and outreached to potential bidders as follows:

**Past Bidders List, Contractors Blue Book & Yellow Pages**: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to one hundred thirty eight (138) individual contractors from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

**HRC**: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to eighty-seven (87) contractors listed in the City of San Francisco Human Rights Commission Local/Minority/Woman Business Enterprise Directory.

**Labor Unions:** The Authority mailed its Invitation for Bids Documents, Plans & Specifications to Stan Warren at the San Francisco Buildings Trade Council.

**Newspapers**: The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:

- Daily Pacific Builder, (trade publication)
- San Francisco Bay View, (African American community)
- Sing Tao Daily, (Asian American Community)

**Additional Newspapers**: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

**Public Agency Websites**: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

**Builders Exchanges**: The Authority sent its Invitation for Bid Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- Dodge Scan/Daily Pacific Builder,
- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Building Exchange of Stockton,
- Construction Data Plan Room,
- Solano-Napa Builders Exchange,
- Construction Market Data
- Sierra Contractors Exchange

Seventeen (17) potential bidders (6 of which are MBE/WBE) requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on August 6, 2003. In attendance were twelve contractors along with the Consultant, and Authority staff members.

**BIDDER SELECTION PROCESS**

The closing date for the solicitation was August 21, 2003 and the Authority received bids from four (4) contractors, all of which were responsible and responsive. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval, for submission to TARC and for approval to prepare this Resolution. The contractors' bids are as follows:

**BID PROPOSALS:**

| Bidder | Bid Proposal | 25% Resident Hiring | Contractor MBE/WBE | Sub Contractors | MBE/WBE Sub Contractor % Of Total Job | Total MBE/ WBE |
|---|---|---|---|---|---|---|
| Fine Line Construction | $300,966 | Yes | Yes 20% | Five | 28% | 48% |
| Huang Associates | $357,000 | Yes | No | Four | 33.3% | 33.3% |
| Kin Wo Construction | $456,800 | Yes | Yes 63.74% | Two | 9.74% | 73.48% |
| Best Roofing | $461,500 | Yes | No | Three | 30.8% | 30.8% |

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive and responsible bidder. Based on the above, the lowest, responsive and responsible bidder is Fine

Line Construction. Upon request Fine Line Construction reviewed their bid and informed Procurement that they stood by their bid.

According to the reference check on past projects performed by Fine Line Construction, the firm is a responsible contractor with a good record. They have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that Fine Line Construction is not debarred from Federal Procurement and Non-Procurement work.

**OBJECTIVES**

The objective of the Resolution is to authorize the Executive Director to enter into a contract for the Repair of Exterior Deck & Stairs at CAL 1-18(7), Velasco Avenue for the safety and welfare of the residents, and for the proper maintenance of the project. The scope of work can be summarized as follows:

1. Survey of existing conditions.
2. Prepare schedule and conduct tenant notification (48 hours).
3. Chip out concrete and repair of existing corroded steel edge of exterior second floor corridor deck.
4. Install new waterproofing membrane on repaired concrete deck.
5. Replace existing corroded exterior stairs with new prefabricated steel stairs.
6. Paint exterior of building in its entirety.

**PRESENT SITUATION**

Velasco Avenue is an 18 unit, two story building, built in 1962. The exterior concrete deck has cracks and spalls along the edge, and the supporting structural steel beams and fascia boards have deteriorated and are in need of immediate repair. The three exterior steel stairs have corroded beyond repair and need immediate replacement. The supporting structural steel stringers of these stairs have extensive to severe damage and pose an immediate life safety threat.

**ANTICIPATED OUTCOMES**

The repair of the exterior concrete deck and stair will eliminate the life safety hazards to the residents and will prolong the life of the building. Painting of the entire building exterior will enhance the appearance of this public housing development, promote resident pride, and preserve the Authority's real property investment

**WHO BENEFITS**

Public housing residents will benefit from safe and improved living conditions. The Authority will benefit from the maintenance that will add life to the building. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, Fine Line Construction is helping to create a pool of qualified residents for future work on similar Authority construction projects.

**BUDGET CONSIDERATION**

Funds are available through the Year 2002 Capital Fund Program.

## RESIDENT HIRING

Fine Line Construction is required is to provide 25% resident hiring on this job. Fine Line Construction estimates that the project will take up to 2,444 man-hours to complete. Resident employees will perform 25% or a minimum of 611 hours of the work, with the intention to exceed the 25% resident hire goal. They are pursuing 5 new positions for resident hiring; two residents are already part of their permanent work force. The Contractor will employ eighteen workers from their current crews, two of which are residents, and five or more new resident hires.

In the most recent project Fine Line performed for the Authority, at CAL 1-18(4), Alice Griffith, they achieved 27% resident hire.

## MBE/WBE PARTICIPATION

Fine Line Construction will sub-contract to one MBE/WBE firm, for a total of 28% MBE/WBE participation.

## RECOMMENDATION

Fine Line Construction has submitted the lowest, responsible and responsive bid. They are committed to providing 25% resident hiring at a minimum. Funding is available in the HUD 2002 Capital Fund Program. Because the deteriorated deck and stairs pose an immediate life safety hazard to the residents, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with Fine Line Construction for the Repair of Exterior Deck and Stairs at CAL 1-18(7), Velasco Avenue in an amount not to exceed $300,966.

(Prepared by: Basil Nicolaou, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. _____
ADOPTED_____

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH FINE LINE CONSTRUCTION FOR THE REPAIR OF EXTERIOR DECKS AND STAIRS AT CAL 1-18(7), VELASCO AVENUE, IN AN AMOUNT NOT TO EXCEED $300,966**

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**WHEREAS,** The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-IFB-043 for the Repair of Exterior Decks & Stairs at CAL 1-18(7), Velasco Avenue, and

**WHEREAS**, Fine Line Construction has submitted the lowest responsive and responsible bid of $300,966.00 for the Repair of Exterior Decks & Stairs at CAL 1-18(7), Velasco Avenue; and

**WHEREAS**, these services are necessary to protect the health, safety and welfare of residents; and

**WHEREAS**, funding is available through the HUD 2002 Capital Fund Program; and

**WHEREAS**, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

**WHEREAS**, all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

**WHERAS**, Fine Line Construction will meet the Resident Hiring requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The Executive Director is authorized to execute a contract with Fine Line Construction, for the Repair of Exterior Decks & Stairs at CAL 1-18(7), Velasco Avenue for an amount Not-To-Exceed $300,966.

2. This Resolution shall take effect immediately.

**APPROVED AT TO FORM AND LEGALITY: REVIEWED BY:**

Donna Mart
DONNA MARTIN, General Counsel

Date: 9-19-03

GREGG FORTNER, Executive Director

Date: 9/19/2003

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**SAN FRANCISCO HOUSING AUTHORITY**
**440 Turk Street • San Fra ncisco CA • 94112 • (415) 554-1200**

DATE: September 25, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Sululagi Palega, Sr., President*
*Julie Lee, Vice President*
*George R. Brown, Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff, Commissioner*

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH CDX BUILDERS INC. FOR THE HEATING AND HOT WATER BOILERS, AND PIPING REPLACEMENT WORK AT CAL 1-2, POTRERO TERRACE, AND CAL 1-18(10), WOODSIDE GARDENS, IN AN AMOUNT NOT TO EXCEED $783,800**

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**OVERVIEW**

This Resolution will authorize the Executive Director to enter into a contract with CDX Builders Inc. for the Heating and Hot Water Boilers, and Piping Replacement at CAL 1-2, Potrero Terrace, and CAL 1-18(10), Woodside Gardens, family and senior developments.

Potrero Terrace was built in 1941 and consists of thirty-eight three-story buildings and has 469 family dwelling units.

Woodside Gardens was built in 1968 and consists of one six-story building and has 110 senior dwelling units.

The Authority issued Solicitation No. 03-620-IFB-048 on August 4, 2003 following review and approval of the solicitation by the Finance and Procurement Departments.

**PROCUREMENT**

The procurement process for the action covered by this Resolution meets the procurement

Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Housing Development & Modernization Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and Construction Documents (Drawings and technical specifications) furnished by the Authority's Mechanical Engineering Services Consultant, Mechanical Solutions. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

The Authority advertised for bidders and outreached to potential bidders as follows:

**Past Bidders List, Contractors Blue Book & Yellow Pages**: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to seventy three (73) individual contractors from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

**HRC:** The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to seventy one (22) MBE/WBE contractors listed by the San Francisco Human Rights Commission.

**Labor Unions:** The Authority mailed its Invitation for Bids Documents, Plans & Specifications to the San Francisco Buildings Trade Council.

**Newspapers:** The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:
Daily Pacific Builder, (trade publication)
San Francisco Bay View, (African American community)
Sing Tao Daily, (Asian American Community)

**Additional Newspapers**: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

**Public Agency Websites**: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

**Builders Exchanges**: The Authority sent its Invitation for Bid Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- Dodge Scan/Daily Pacific Builder,
- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Building Exchange of Stockton,
- Construction Data Plan Room,
- Solano-Napa Builders Exchange,
- Construction Market Data
- Sierra Contractors Exchange

Seventeen (17) potential bidders requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on August 12, 2003. In attendance were eight (8) contractors along with the Consultant, and Authority staff members.

**BIDDER SELECTION PROCESS**

The closing date for the solicitation was September 4 , 2003 and the Authority received bids from three (3) responsive and responsible contractors. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval, for submission to TARC and for approval to prepare this Resolution. The contractors' bids are as follows:

**BID PROPOSALS:**

| Bidder | Bid Proposal | 25% Resident Hiring | Contractor MBE/ WBE | Sub Contractors | MBE/WBE Sub Contractor % Of Total Job | Total MBE/ WBE |
|---|---|---|---|---|---|---|
| CDX Builders Inc. | $783,800 | Yes | No | Five | 71.45% | 71.45% |
| Schram Construction Inc. | $894,000 | Yes | No | Three | 3.9% | 3.9% |
| Sonomarin, Inc. | $919,818 | Yes | No | Two | 11.36% | 11.36% |

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive and responsible bidder. Based on the above, the lowest, responsive and responsible bidder is CDX Builders Inc. Upon request, CDX Builders Inc. reviewed their bid and informed Procurement that they stood by their bid.

According to the reference check on past projects performed by CDX Builders Inc., and the Authority's recent experience with CDX Builders Inc., the firm is a responsible contractor with a good record. They have performed similar contracts for other public agencies and have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that CDX Builders Inc. is not debarred from Federal Procurement and Non-Procurement work.

**OBJECTIVES**

The objective of the Resolution is to authorize the Executive Director to enter into a contract for the replacement and demolition of the existing heating and domestic hot water boilers, storage tanks, accessories, controls, and horizontal main pipes located in the crawl space of buildings. Improvements being contracted for include but are not limited to the following scope of work:

A. Potrero Terrace

1. Asbestos abatement of existing block insulation at the boiler doors, mudded fittings and wrap on the domestic hot water system piping and fittings within the crawl spaces, and mudded insulation and wrap on the heating hot water piping system throughout the crawl spaces.
2. Demolition of existing heating boilers, domestic hot water boilers, tanks, accessories, controls and horizontal main pipes in the crawl spaces.
3. Installation of new heating boilers in buildings G2, G6, G12, and G14.
4. Installation of domestic hot water heaters in buildings G2, G6, G10, G12, G15, and F14.
5. Installation of new horizontal main pipes in the crawl spaces of buildings G2, G6, G8, G10, G12, G15, F8, and F14.

There will be no work in the rest of the buildings, as they already had the heating boilers and the domestic hot water heaters replaced under separate contracts on an emergency basis.

B. Woodside Gardens

1. Replacement and demolition of the existing heating and hot water boilers, pumps, accessories, controls, and pipes.
2. Furnishing and installing all new boiler equipment and accessories.
3. Demolition and removal of the existing heating and hot water boilers and pipes.

**PRESENT SITUATION**

Potrero Terrace is a San Francisco Housing Authority family development comprised of 38 three level residential buildings and one administration building, built in 1941. The 62-year-old heating and domestic hot water boilers and piping have deteriorated beyond any repairs and need to be replaced immediately.

Woodside Gardens is a San Francisco Housing Authority senior development comprised of one six-story building with 110 units, built in 1968. The 35-year-old heating and hot water boilers and piping need to be replaced.

**ANTICIPATED OUTCOMES**

Replacement of the heating and domestic hot water boilers and piping will provide energy efficient, uninterrupted heating and hot water to the residents. The Authority's maintenance department will be relieved of the constant calls for repairs and restoration of service to the residents. CDX Builders Inc. will provide a two-year guarantee for materials and workmanship, in compliance with Authority standards.

**WHO BENEFITS**

Public housing residents will benefit from improved living conditions with no interruptions in heating and hot water service. The energy efficiency of the new boiler system, and the absence of maintenance calls will result in substantial operating savings to the Authority. The capital improvements will also benefit the Authority's real property assets and add to the longevity of the structures. The project will also provide employment for public housing residents under the resident hiring requirements. . The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, CDX Builders Inc. is helping to create a pool of qualified residents for future work on similar Authority construction projects.

**BUDGET CONSIDERATION**

The Heating and Hot Water Boilers, and Piping Replacement is funded in the Year 2001, and 2002 Capital Fund Program budgets. The low bid is 25% less than the independent cost estimate and budgeted amount.

**RESIDENT HIRING**

CDX Builders Inc. is committed to exceeding the 25 percent resident hiring goal on this job. The contractor estimates that it will take about 900 hours to complete the project, of which a minimum 225 hours will be resident hire employment. One resident will be hired, and for the five-month duration of the project there will be 880 hours of resident hire, exceeding the 25% requirement by a wide margin.

In recent Housing Authority projects, CDX Builders Inc. has always exceeded the 25% resident hire goal. In the most recent project at CAL 1-15, Ping Yuen, Kitchen Range Hoods and Cabinets, CDX Builders Inc. achieved 35.5% resident hire.

**MBE/WBE PARTICIPATION**

CDX Builders Inc. is a certified economically disadvantaged, Local Business Enterprise/Minority Business Enterprise.

**RECOMMENDATION**

CDX Builders Inc. has submitted the lowest, responsive and responsible bid. They are committed to providing 25% resident hiring at a minimum. Funding is available in the HUD 2001, and 2002 Capital Fund Programs. Because boilers and piping are in need of immediate replacement, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with CDX Builders Inc. for the Heating and Hot Water Boilers, and Piping Replacement at CAL 1-2, Potrero Terrace, and CAL 1-18(10), Woodside Gardens in an amount not to exceed $783,000.

(Prepared by: Basil Nicolaou, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. 5117
ADOPTED 9/25/03

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH CDX BUILDERS INC. FOR THE HEATING AND HOT WATER BOILERS, AND PIPING REPLACEMENT WORK AT CAL 1-2, POTRERO TERRACE, AND CAL 1-18(10),WOODSIDE GARDENS, IN AN AMOUNT NOT TO EXCEED $783,800**

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**WHEREAS,** The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-IFB-048 for Heating and Hot water Boilers, and Piping Replacement at CAL 1-2, Potrero Terrace, and CAL 1-18(10), Woodside Gardens, and

**WHEREAS**, CDX Builders Inc. submitted the lowest responsive and responsible bid of $783,800.00 to provide for the Heating and Hot Water Boilers, and Piping Replacement at CAL 1-2, Potrero Terrace, and CAL 1-18(10), Woodside Gardens; and

**WHEREAS**, these services are necessary to protect the health and welfare of residents; and

**WHEREAS**, funding is available through the HUD 2001, and 2002 Capital Fund Program; and

**WHEREAS**, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

**WHEREAS**, all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

**WHERAS**, CDX Builders Inc. will meet the Resident Hiring requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The Executive Director is authorized to execute a contract with CDX Builders Inc., to provide for the Heating and Hot Water Boilers, and Piping Replacement at CAL 1-2, Potrero Terrace, and CAL 1-18(10), Woodside Gardens for an amount Not-To-Exceed $783,800.

2. This Resolution shall take effect immediately.

**APPROVED AT TO FORM AND LEGALITY: REVIEWED BY:**

Donna Mart
DONNA MARTIN, General Counsel

Date: 9-19-03

GREGG FORTNER, Executive Director

Date: 9/19/2003

F

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: September 25, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Sululagi Palega, Sr., President*
*Julie Lee, Vice President*
*George R. Brown, Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff, Commissioner*

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH CDX BUILDERS FOR RANGE REPLACEMENT WORK AT CAL 1-18(10), WOODSIDE GARDENS AND CAL 1-18(13), MISSION DOLORES, IN AN AMOUNT NOT TO EXCEED $226,800.00**

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## OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract for range replacement, range hood and cabinet work at CAL 1-18(10), Woodside Gardens and CAL 1-18(13), Mission Dolores Senior Development.

At Mission Dolores and Woodside Gardens developments there are 71 resident units using 40-year old obsolete kitchen ranges for which repair parts are not available and 122 resident units without vinyl tile flooring at kitchen range area. Also, 85 resident units at Mission Dolores are without kitchen mechanical ventilation. Mission Dolores and Woodside Gardens residents are in need of replacement kitchen ranges, new kitchen range hoods and vinyl tile flooring to reduce health and safety hazards to residents and reduce maintenance cost. This contract is the mechanism by which the Authority engages the services of a contractor to undertake the replacement of kitchen ranges, installation of kitchen range hoods and perform associated wood cabinet and flooring work.

## PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement

Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Housing Development & Modernization Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and Construction Documents (Drawings and technical specifications) furnished by the Authority's Architectural Services Consultant, Greg Roja Associates. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

The Authority advertised for bidders and outreached to potential bidders as follows:

**Past Bidders List, Contractors Blue Book & Yellow Pages**: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to one hundred and twenty (120) individual contractors (80 of which are MBE/WBE) from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

**HRC:** The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to seventy-one (71) MBE/WBE contractors listed by the San Francisco Human Rights Commission.

**Labor Unions:** The Authority mailed its Invitation for Bids Documents, Plans & Specifications to United Brotherhood of Carpenters & Jointers of America Local Union No.22 and San Francisco Building and Construction Trade Council.

**Newspapers:** The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:
Daily Pacific Builder, (trade publication)
San Francisco Bay View, (African American community)
Sing Tao Daily, (Asian American Community)

**Additional Newspapers**: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

**Public Agency Websites**: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

**Builders Exchanges**: The Authority sent its Invitation for Bid Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- Dodge Scan/Daily Pacific Builder,
- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Building Exchange of Stockton,
- Construction Data Plan Room,
- Solano-Napa Builders Exchange,
- Construction Market Data
- Sierra Contractors Exchange

Seven (7) potential bidders requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on August 18, 2003. In attendance was one (1) contractor along with the Consultant, and Authority staff members.

**BIDDER SELECTION PROCESS**

The closing date for the solicitation was September 10, 2003 and the Authority received bids from three (3) responsive and responsible contractors. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval, for submission to TARC and for approval to prepare this Resolution. The contractors' bids are as follows:

**BID PROPOSALS:**

| Bidder | Bid Proposal | 25% Resident Hiring | Contractor MBE/ WBE | Sub Contractors | MBE/WBE Sub Contractor % Of Total Job | Total MBE/ WBE |
|---|---|---|---|---|---|---|
| CDX Builders | $226,800 | Yes | No | Five | 22% | 22% |
| HOI'S Construction | $345,450 | Yes | Yes | Three | 38% | 89% |
| Fine Line Construction | $486,669 | Yes | Yes | Seven | 10% | 62% |

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive and responsible bidder. Based on the above, the lowest, responsive and responsible bidder is CDX Builders. They are pursuing 1 position for resident hiring. Upon request, CDX Builders reviewed their bid and informed Procurement that they stood by their bid.

According to the reference check on past projects performed by CDX Builders Inc., and the Authority's recent experience with CDX Builders Inc., the firm is a responsible contractor with a good record. They have performed similar contracts for other public agencies and have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that CDX Builders Inc. is not debarred from Federal Procurement and Non-Procurement work.

**OBJECTIVES**

The objective of the Resolution is to authorize the Executive Director to enter into a contract to undertake kitchen range replacement, kitchen range hood and cabinet installation work at CAL 1-18(10), Woodside Gardens and CAL 1-18(13) Mission Dolores to protect the health and safety of residents, improve residents' quality of life and reduce maintenance costs. The scope of work can be summarized as follows:

I. Remove 71 obsolete kitchen ranges and perform associated demolition works, including wall finish, base cabinets and electrical wire and outlets.
II. Install 71 new freestanding kitchen ranges.
III. Furnish 85 new wood wall cabinets above each kitchen range.
IV. Install 85 new kitchen range hoods on the bottom of wood cabinet.
V. Furnish 85 new electrical hood circuits and outlets from electric source to connect to new kitchen range hoods.
VI. Furnish 71 new electrical range feeders and outlets to new kitchen ranges.
VII. Repair wall surfaces adjacent to new range and hood in 122 resident units.
VIII. Furnish new vinyl tile flooring at kitchen range area in 122 resident units.
IX. Deliver 71 kitchen ranges and 85 range hoods, provided by San Francisco Housing Authority, from SFHA warehouse to job sites,
X. The Work will be constructed under a single prime contract.
XI. The Work will be performed in accordance with the latest adopted edition of the San Francisco Building Code.

**PRESENT SITUATION**

At Mission Dolores and Woodside Gardens developments, there are 71 resident units using 40-year old obsolete kitchen range for which repair parts are not available and 122 resident units are without vinyl tile flooring at kitchen ranger area. Also, 85 resident units at Mission Dolores are without mechanical kitchen ventilation so that cooking tends to deposit grease on walls and windows. Obsolete kitchen range, bare sub-floor and no kitchen ventilation represent a health and safety hazard to residents. This contract is the mechanism by which the Authority engages the services of a contractor to undertake the replacement of kitchen ranges and installation of kitchen range hoods and associated wood cabinets and flooring work.

**ANTICIPATED OUTCOMES**

The work of this contract will result in the installation of 71 kitchen ranges, 85 kitchen range hoods and vinyl tile flooring at kitchen range area in 122 resident units. This work will eliminate the health and safety hazards in residential units, improve resident's quality of life and reduce maintenance costs.

**WHO BENEFITS**

Public housing residents will benefit from improved health, safety, and in general living conditions. The authority will benefit by maintaining cleaner and more sanitary units and reduced maintenance costs. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, CDX Builders is helping to create a pool of qualified residents for future work on similar Authority construction projects.

**BUDGET CONSIDERATION**

Funds are available through the Year 2002 Capital Fund Program.

**RESIDENT HIRING**

CDX Builders requirement is to provide 25% resident hiring on this job. CDX Builders estimates that the project will take up to 400 man-hours to complete. Resident employees will perform 25% or a minimum of 100 hours of the work, with a goal of 30% or 120 man-hours of the work. The Contractor will employ three workers from their current crews and one resident.

**MBE/WBE PARTICIPATION**

This Contractor will subcontract to three (3) MBE/WBE subcontractors that will perform 22% of the total contract amount.

**RECOMMENDATION**

CDX Builders has submitted the lowest, responsive and responsible bid. They are committed to providing 25% resident hiring at a minimum. Funding is available in the HUD 2002 Capital Fund Programs. Because replacement of kitchen ranges and installation of kitchen hoods is needed to protect residents from health and safety hazards and reduce maintenance costs, staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with CDX Builders for the Kitchen Range Replacement, Kitchen Hood and Cabinet Installation Work at CAL 1-18(10), Woodside Gardens and CAL 1-18(13) Mission Dolores in an amount not to exceed $226,800.

(Prepared by: Francis Eng, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. 5118
ADOPTED 9/25/03

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ~~CDX BUILDERS~~ FOR RANGE REPLACEMENT WORK AT CAL 1-18(10), WOODSIDE GARDENS AND CAL 1-18(13), MISSION DOLORES, IN AN AMOUNT NOT TO EXCEED $226,800** CDX BUILDERS, INC.
[AS AMENDED]

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**WHEREAS,** The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-IFB-047 for Range Replacement at CAL 1-18(10), Woodside Gardens and CAL 1-18(13), Mission Dolores, and

**WHEREAS,** CDX Builders submitted the lowest responsive and responsible bid of $226,800 to provide for Kitchen Range Replacement, Kitchen Range Hood and Cabinet installation work at CAL 1-18(10), Woodside Gardens and CAL 1-18(13), Mission Dolores; and

**WHEREAS,** these services are necessary to protect the health and welfare of residents and reduce maintenance costs; and

**WHEREAS,** funding is available through the HUD 2002 Capital Fund Program; and

**WHEREAS,** the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

**WHEREAS,** all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

**WHERAS,** CDX Builders will meet the Resident Hiring requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The Executive Director is authorized to execute a contract with CDX Builders to undertake Kitchen Range Replacement and Kitchen Range Hood and Cabinet Installation work at CAL 1-18(10), Woodside Gardens and CAL 1-18(13), Mission Dolores for an amount Not-To-Exceed $226,800.

2. This Resolution shall take effect immediately.

**APPROVED AT TO FORM AND LEGALITY:** **REVIEWED BY:**

Donna Mart
DONNA MARTIN, Managing Attorney

Date: 9-19-03

GREGG FORTNER, Executive Director

Date: 9/19/2003

G

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Fra ncisco CA • 94112 • (415) 554-1200

DATE: September 25, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Sululagi Palega, Sr., President*
*Julie Lee, Vice President*
*George R. Brown, Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff, Commissioner*

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH BAY CONSTRUCTION COMPANY FOR THE FIRE ALARM SYSTEM UPGRADES AT CAL 1-43, ROBERT B. PITTS PLAZA, AND CAL 1-18(7), VELASCO AVENUE, IN AN AMOUNT NOT TO EXCEED $613,000**

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**OVERVIEW**

This Resolution will authorize the Executive Director to enter into a contract for Exterior Deck Repairs at CAL 1-10, Potrero Annex Family Development.

Robert B. Pitts Plaza was built in 1991 and consists of 203 units. The fire alarm system has been malfunctioning in the last five years, resulting in frequent false alarms to the agitation and complaining of the Fire Department. Costly temporary fixes only help for a short period of time. The permanent replacement of the existing system is necessary and mandated by the Fire Department.

The same holds true for Velasco Avenue, which was built in 1962 and consists of 18 units. It has an outdated fire alarm system that has been malfunctioning with frequent false alarms. Its fire alarm devices and controls do not meet current codes, and need to be replaced.

**PROCUREMENT**

The procurement process for the action covered by this Resolution meets the procurement

Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Housing Development & Modernization Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and Construction Documents (Drawings and technical specifications) furnished by the Authority's Electrical Engineering Services Consultant, POLA Inc. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

The Authority advertised for bidders and outreached to potential bidders as follows:

**Past Bidders List, Contractors Blue Book & Yellow Pages**: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to forty two (42) individual contractors from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

**HRC:** The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to forty-two (42) MBE/WBE contractors listed by the San Francisco Human Rights Commission.

**Labor Unions:** The Authority mailed its Invitation for Bids Documents, Plans & Specifications to the San Francisco Buildings Trade Council.

**Newspapers:** The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:
Daily Pacific Builder, (trade publication)
San Francisco Bay View, (African American community)
Sing Tao Daily, (Asian American Community)

**Additional Newspapers**: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

**Public Agency Websites**: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

**Builders Exchanges**: The Authority sent its Invitation for Bid Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- Dodge Scan/Daily Pacific Builder,
- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Building Exchange of Stockton,
- Construction Data Plan Room,
- Solano-Napa Builders Exchange,
- Construction Market Data
- Sierra Contractors Exchange

Nine (9) potential bidders requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on August 20, 2003. In attendance were four (4) contractors along with the Consultant, and Authority staff members.

**BIDDER SELECTION PROCESS**

The closing date for the solicitation was September 3, 2003 and the Authority received bids from five (5) responsive and responsible contractors. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval, for submission to TARC and for approval to prepare this Resolution. The contractors' bids are as follows:

**BID PROPOSALS:**

| Bidder | Bid Proposal | 25% Resident Hiring | Contractor MBE/ WBE | Sub Contractors | MBE/WBE Sub Contractor % Of Total Job | Total MBE/ WBE |
|---|---|---|---|---|---|---|
| Bay Construction | $613,000 | Yes | Yes 22% | Five | 27% | 49% |
| Barri Electric | $682,000 | Yes | No | Two | 21% | 21% |
| Mike Brown Electric | $682,572 | Yes | No | Three | 11% | 11% |
| A. S. F. Electric | $790,975 | Yes | Yes | Two | Not stated | Not known |
| Gregory Electric | $835,000 | Yes | No | Three | 13% | 13% |

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive and responsible bidder. Based on the above, the lowest, responsive and responsible bidder is Bay Construction Co. They are pursuing one position for resident hiring. Upon request, Bay Construction Co. reviewed their bid and informed Procurement that they stood by their bid.

According to the reference check on past projects performed by Bay Construction Co., the firm is a responsible contractor with a good record. They have performed similar contracts for other public agencies, such as another large Bay Area Housing Authority, and have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that Bay Construction Co. is not debarred from Federal Procurement and Non-Procurement work.

**OBJECTIVES**

The objective of the Resolution is to authorize the Executive Director to enter into a contract to install Fire Alarm System Upgrades at CAL 1-43, Robert B. Pitts Plaza, and CAL 1-18(7), Velasco Avenue for the safety and welfare of the residents. The scope of work can be summarized as follows:

Site surveying of existing conditions, installation, testing, and commissioning of a new fire alarm system with control panels, tamper and flow switches, fire alarm devises, conduits and wiring, patching and painting of building surfaces, painting of new conduit and conduit supports, and demolition and removal of the abandoned existing fire alarm devices and panels.

**PRESENT SITUATION**

Although the fire alarm system at Robert B. Pitts Plaza is only twelve years old, it has been malfunctioning for the last five years, resulting in frequent false alarms to the agitation and complaining of the Fire Department. Costly temporary fixes only help for a short period of time. The permanent replacement of the existing system is necessary and mandated by the Fire Department.

Similarly, Velasco Avenue, built in 1962, has a forty-one year old fire alarm system, which has been malfunctioning with frequent false alarms. Also, the fire alarm devices and panels are outdated and do not meet current code requirements. The replacement of the existing fire alarm system is mandated by the Fire Department and by current codes.

**ANTICIPATED OUTCOMES**

Replacement of malfunctioning and outdated fire alarm systems will enhance the safety and welfare of our residents, and will comply with Fire Department mandates, and current codes.

**WHO BENEFITS**

Public housing residents will benefit from improved life safety conditions. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, Bay Construction Co. is helping to create a pool of qualified residents for future work on similar Authority construction projects.

## BUDGET CONSIDERATION

Funds are available through the Year 2001 Capital Fund Programs.

## RESIDENT HIRING

Bay Construction Co. is required to provide 25% resident hiring on this job. Bay Construction Co. estimates that the project will take up to 5,630 man-hours to complete. Resident employees will perform 25% or a minimum of 1,407 hours of the work, with a goal of 30% or 1,689 man-hours of the work. The Contractor will employ 8 workers from their current crews and 3 or more residents.

## MBE/WBE PARTICIPATION

Bay Construction Co. is a certified economically disadvantaged, Local Business Enterprise/Minority Business Enterprise, and will perform 22% of the work. In addition to this, 27% of the work will be performed by MBE/WBE subcontractors, for a total of 49% MBE/WBE participation.

## RECOMMENDATION

Bay Construction Co. has submitted the lowest, responsive and responsible bid. They are committed to providing 25% resident hiring at a minimum. Funding is available in the HUD 2001 Capital Fund Programs. Because the replacement of the fire alarm systems are needed for the life safety of our residents, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with Bay Construction Co. for the Fire Alarm System Upgrades at CAL 1-43, Robert B. Pitts Plaza, and CAL 1-18(7), Velasco Avenue, for an amount not to exceed $613,000.

(Prepared by: Basil Nicolaou, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. 5119
ADOPTED 9/25/03

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH BAY CONSTRUCTION COMPANY FOR THE FIRE ALARM SYSTEM UPGRADES AT CAL 1-43, ROBERT B. PITTS PLAZA, AND CAL 1-18(7), VELASCO AVENUE, IN AN AMOUNT NOT TO EXCEED $613,000**

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**WHEREAS,** The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-IFB-028 for the Fire Alarm System Upgrades at CAL 1-43, Robert B. Pitts Plaza, and CAL 1-18(7), Velasco Avenue, and

**WHEREAS,** Bay Construction Company submitted the lowest responsive and responsible bid of $613,000 for the Fire Alarm System Upgrades at CAL 1-43, Robert B. Pitts Avenue, and CAL 1-18(7), Velasco Avenue; and

**WHEREAS,** these services are necessary to protect the health and welfare of residents; and

**WHEREAS,** funding is available through the HUD 2001 Capital Fund Programs; and

**WHEREAS,** the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

**WHEREAS,** all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

**WHERAS,** Bay Construction Company will meet the Resident Hiring requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The Executive Director is authorized to execute a contract with Bay Construction Company for the Fire Alarm System Upgrades at CAL 1-43, Robert B. Pitts Plaza, and CAL 1-18(7), Velasco Avenue for an amount Not-To-Exceed $613,000.

2. This Resolution shall take effect immediately.

**APPROVED AT TO FORM AND LEGALITY:** **REVIEWED BY:**

Donna Mart
DONNA MARTIN, General Counsel

Date: 9-19-03

GREGG FORTNER, Executive Director

Date: 9/19/2003

## Dahlstrom, Bob

**From:** Dahlstrom, Bob
**Sent:** Tuesday, September 16, 2003 10:01 AM
**To:** Roetzer, Michael; Latosa, Rene; Esparza, David
**Cc:** Smith, Barbara; Martin, Donna; Lum, Herb; Mulios, Terry; Owens, Julissa; Owens, Julissa; Ilalio, Lima
**Subject:** Resolution Pitts and Valesco Fire Alarms

**Importance:** High

Attated is the fifth and final Resolution scheduled for the 9/25 Commission meeting. Please review and vote using the approve or reject button by the end of today.
Thanks,
Bob

Resolution Pitts Velasco Fire...

**Tracking:**

| Recipient | Read | Response |
|---|---|---|
| Roetzer, Michael | Read: 9/16/2003 10:11 AM | Approve: 9/16/2003 11:16 AM |
| Latosa, Rene | Read: 9/16/2003 11:16 AM | Approve: 9/16/2003 11:17 AM |
| Esparza, David | Read: 9/16/2003 5:14 PM | Approve: 9/16/2003 5:14 PM |
| Smith, Barbara | Read: 9/16/2003 10:04 AM | |
| Martin, Donna | Read: 9/16/2003 10:00 AM | |
| Lum, Herb | Read: 9/16/2003 10:12 AM | |
| Mulios, Terry | Read: 9/16/2003 2:52 PM | |
| Owens, Julissa | Read: 9/16/2003 11:15 AM | |
| Owens, Julissa | | |
| Ilalio, Lima | Read: 9/16/2003 10:54 AM | |

# RESOLUTION - ROUTING SLIP

FOR COMMISSION MEETING OF: September 25, 2003

DATE Submitted to OGC:

FROM: Barbara Smith, Administrator, Housing Development and Modernization

Prepared by: Robert Dahlstrom 9/15/03

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH BAY CONSTRUCTION COMPANY FOR FIRE ALARM SYSTEM UPGRADES AT CAL 1-43, ROBERT B. PITTS PLAZA, AND CAL 1-18(7), VELASCO AVENUE, IN AN AMOUNT NOT-TO-EXCEED $613,000.**

## APPROVALS

**1. FINANCE**

Approved by e-mail

David Esparza, Administrator

Date

**5. OFFICE OF GENERAL COUNSEL**

Donna Mart

Donna Martin, Managing Attorney

Date 9-19-03

**2. BUDGET**

Signature

Date

**6. HOUSING MANAGEMENT**

Signature

Date

**3. PROCUREMENT**

Approved by e-mail

Rene Latosa, Acting Deputy Administrator
BASS

**4. ADMINISTRATIVE SERVICES**

Approved by e-mail

Michael Roetzer, BASS Administrator

Date

**7. EXECUTIVE OFFICE**

Gregg Fortner, Executive Director

Date

H

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: September 25, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Sululagi Palega, Sr., President*
*Julie Lee, Vice President*
*George R. Brown, Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff, Commissioner*

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SONOMARIN INC. FOR DOMESTIC HOT WATER HEATERS, STORAGE TANKS, ASSOCIATED EQUIPMENT, AND PIPE REPLACEMENT WORK AT CAL 1-1, HOLLY COURTS, IN AN AMOUNT NOT TO EXCEED $373,818**

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**OVERVIEW**

This Resolution will authorize the Executive Director to enter into a contract with Sonomarin Inc. for the Domestic Hot Water Heaters, Storage Tanks, Associated Equipment, and Pipes Replacement work at CAL 1-1, Holly Courts, a family development.

Holly Courts was built in 1940 and consists of ten two-story buildings, and has 118 family dwelling units.

The Domestic Hot Water System is sixty-three years old, beyond repair, and in immediate need of replacement.

The Authority issued Solicitation No. 03-620-IFB-049 on August 11, 2003 following review and approval of the solicitation by the Finance and Procurement Departments.

**PROCUREMENT**

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement

Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Housing Development & Modernization Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and Construction Documents (Drawings and technical specifications) furnished by the Authority's Mechanical Engineering Services Consultant, Mechanical solutions. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

The Authority advertised for bidders and outreached to potential bidders as follows:

**Past Bidders List, Contractors Blue Book & Yellow Pages**: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to fifty-five (55) individual contractors from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

**HRC:** The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to twenty-four (24) MBE/WBE contractors listed by the San Francisco Human Rights Commission.

**Labor Unions:** The Authority mailed its Invitation for Bids Documents, Plans & Specifications to the San Francisco Buildings Trade Council.

**Newspapers:** The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:
Daily Pacific Builder, (trade publication)
San Francisco Bay View, (African American community)
Sing Tao Daily, (Asian American Community)

**Additional Newspapers**: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

**Public Agency Websites**: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

**Builders Exchanges**: The Authority sent its Invitation for Bid Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- Dodge Scan/Daily Pacific Builder,
- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Building Exchange of Stockton,
- Construction Data Plan Room,
- Solano-Napa Builders Exchange,
- Construction Market Data
- Sierra Contractors Exchange

Thirteen (13) potential bidders requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on August 27, 2003. In attendance were eight (8) contractors along with the Consultant, and Authority staff members.

**BIDDER SELECTION PROCESS**

The closing date for the solicitation was September 11, 2003 and the Authority received bids from three (3) responsive and responsible contractors. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval, for submission to TARC and for approval to prepare this Resolution. The contractors' bids are as follows:

**BID PROPOSALS:**

| Bidder | Bid Proposal | 25% Resident Hiring | Contractor MBE/ WBE | Sub Contractors | MBE/WBE Sub Contractor % Of Total Job | Total MBE/WBE |
|---|---|---|---|---|---|---|
| Sonomarin Inc. | $373,818 | Yes | No | Three | 21% | 21% |
| CDX Builders | $538,000 | Yes | No | Five | 68.8% | 68.8% |
| Trico Construction | $608,565 | Yes | No | Six | 20.13% | 20.13% |

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive and

responsible bidder. Based on the above, the lowest, responsive and responsible bidder is Sonomarin Inc. They are pursuing one position for resident hiring.

Sonomarin's bid is 43% lower than the cost estimate. Upon request, Sonomarin Inc. reviewed their bid and informed Procurement that they stood by their bid. They are a small firm of two partners, and they do most of the work themselves. Their subcontractor work is only 21% of the total. Their submitted job cost breakdown was analyzed by the Authority's consultant and was found to be realistic and acceptable.

According to the reference checks on past projects performed by Sonomarin Inc., the firm is a responsible contractor with a good record. They have performed similar contracts for other public agencies and have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that Sonomarin Inc. is not debarred from Federal Procurement and Non-Procurement work.

**OBJECTIVES**

The objective of the Resolution is to authorize the Executive Director to enter into a contract for the replacement and demolition of the existing domestic hot water heaters, storage tanks, associated equipment, and piping. The project consists generally of the replacement and demolition of the existing domestic hot water heaters, hot water storage tanks, pumps, accessories, control, vent, and pipes located in the heater rooms.
Work under this contract will generally include, but not be limited to, the following:

a. Site survey and verification of existing condition.

b. Replacement and demolition of the existing heating and domestic hot water heaters, pumps, accessories, control, and pipes.

c. Furnishing and installing all new equipment and accessories at ten locations.

d. Demolition and removal of the existing heating and domestic hot water boilers and pipes all in accordance with "SFHA Hazardous Materials Procedure", and

e. Provide domestic hot water to the residential units at all times during construction.

**PRESENT SITUATION**

Holly Courts is a San Francisco Housing Authority family development comprised of 10 two level residential buildings built in 1940. The 63-year-old domestic hot water heaters, storage tanks, associated equipment and piping have deteriorated beyond repair and need to be replaced immediately.

**ANTICIPATED OUTCOMES**

Replacement of the domestic hot water heaters, storage tanks, associated equipment, and piping will provide energy efficient, uninterrupted hot water to the residents. The Authority's maintenance department will be relieved of the constant calls for repairs and restoration of service

to the residents. Sonomarin Inc. will provide a two-year guarantee for materials and workmanship, in compliance with Authority standards.

**WHO BENEFITS**

Public housing residents will benefit from improved living conditions with no interruptions in hot water service. The energy efficiency of the new water heater system and the absence of maintenance calls will result in substantial operating savings to the Authority. The capital improvements will also benefit the Authority's real property assets and add to the longevity of the structures. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, Sonomarin Inc. is helping to create a pool of qualified residents for future work on similar Authority construction projects.

**BUDGET CONSIDERATION**

The Heating and Hot Water Boilers, and Piping Replacement is funded in the Year 2002 Capital Fund Program budgets. The low bid is 43% less than the independent cost estimate and budgeted amount.

**RESIDENT HIRING**

Sonomarin Inc. is committed to exceeding the 25 percent resident hiring goal on this job. The contractor estimates that it will take about 1600 hours to complete the project, of which a minimum 400 hours will be resident hire employment. One resident will be hired, and for the five-month duration of the project there will be 880 hours of resident hire, exceeding the 25% requirement by a wide margin.

**MBE/WBE PARTICIPATION**

Sonomarin is a small firm of two partners, and they do most of the work themselves. Sonomarin has achieved 21% MBE/WBE participation with its listed subcontractors and suppliers

**RECOMMENDATION**

Sonomarin Inc. has submitted the lowest, responsive and responsible bid. They are committed to providing 25% resident hiring at a minimum. Funding is available in the 2002 Capital Fund Programs. Because boilers and piping are in need of immediate replacement, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with Sonomarin Inc. for the Domestic Hot Water Heaters, and Pipes Replacement at CAL 1-1, Holly Courts in an amount not to exceed $373,818.

(Prepared by: Basil Nicolaou, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. _____
ADOPTED _____

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SONOMARIN INC. FOR DOMESTIC HOT WATER HEATERS, STORAGE TANKS, ASSOCIATED EQUIPMENT, AND PIPE REPLACEMENT WORK AT CAL 1-1, HOLLY COURTS, IN AN AMOUNT NOT TO EXCEED $373,818**

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**WHEREAS,** The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-IFB-049 for Domestic Hot Water Heaters, Storage Tanks, and Pipes Replacement at CAL 1-1, Holly Courts, and

**WHEREAS,** Sonomarin Inc. submitted the lowest responsive and responsible bid of $373,818 to provide for the Domestic Hot Water Heaters, Storage Tanks, Associated Equipment, and Pipes Replacement at CAL 1-1, Holly Courts; and

**WHEREAS,** these services are necessary to protect the health and welfare of residents; and

**WHEREAS,** funding is available through the HUD 2002 Capital Fund Program; and

**WHEREAS,** the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

**WHEREAS,** all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

**WHERAS,** Sonomarin Inc. will meet the Resident Hiring requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The Executive Director is authorized to execute a contract with Sonomarin Inc., to provide for the Domestic Hot Water Heaters, Storage Tanks, Associated Equipment, and Pipes Replacement at CAL 1-1, Holly Courts in an amount Not-To-Exceed $783,800.

2. This Resolution shall take effect immediately.

**APPROVED AT TO FORM AND LEGALITY: REVIEWED BY:**

Donna Martin
DONNA MARTIN, General Counsel

Date: 9-19-03

GREGG FORTNER, Executive Director

Date: 9/19/2003

# HOUSING AUTHORITY
# OF THE
# CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Thursday, September 11, 2003

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in a regularly scheduled meeting at 440 Turk Street, San Francisco, California on Thursday, September 11, 2003, at 4:00 p.m.

President Sululagi Palega called the meeting to order at 4:05 p.m.

DOCUMENTS DEPT.
SEP 26 2003
SAN FRANCISCO
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1. ROLL CALL

Roll call found the following members to be:

PRESENT: *Sululagi Palega, Sr., President*
*George R. Brown, Commissioner*
*Betty J. Smith, Commissioner (excused at 4:32 p.m.)*
*Andrew Clark, Commissioner*
*Neola Gans, Commissioner*
*Rev. George Woodruff, Commissioner (arrived at 4:20 p.m.)*

ABSENT: *Julie Lee, Vice President (excused)*

A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director*
*Ms. Donna Martin, Agency Counsel*

2. APPROVAL OF AGENDA

Before the agenda was approved Executive Director Gregg Fortner stated that Item 11D should specify "Arguello Blvd." and not "Arguello Street." Commissioner Smith moved to approve the agenda as amended. Commissioner Gans seconded the motion. The motion to approve the agenda as amended was unanimously passed.

3. APPROVAL OF MINUTES

Commissioner Smith moved to approve the minutes. Commissioner Gans seconded the motion. The motion to approve the minutes was passed by a unanimous vote.

4. GENERAL COMMUNICATIONS
5. REPORT OF SECRETARY

Commissioner Woodruff arrived during this report.

Executive Director Gregg Fortner asked the Commission's permission to present the General Communications and Report of the Secretary simultaneously. The Commission did not object. Executive Director Gregg Fortner first addressed Vice President Lee's request for information on the procurement practices of Mission Housing Development. A memorandum pertaining to this issue was included in the Commission folder. Next, a memo regarding the Lease-Up efforts and activity was included in the folder. The total number of units available for occupation is 67. Seventy-seven individuals had been referred, and the make-ready activities had been accelerated. Mr. Fortner stated that there are about 300 vacant units to be prepared for families on the waiting list. Also included in the folder was a copy of an email to Mr. Fortner from the U.S. Department of Housing and Urban Development. Mr. Fortner said this letter was to inform the Agency that as of October 5, 2003 all TARC issues that were previously assigned to the Memphis office were being redirected to the local HUD office at 450 Golden Gate. At the request of Vice President Lee, Mr. Fortner stated that the staff had investigated whether funding was available from the Mayor's Office of Housing for lead hazard abatement. The three million dollars set aside for that type of work is not available to public housing and is only accessible to multi-family housing. The following correspondence was from Mr. Fortner regarding the Superskills Basketball Program. Mr. Fortner said that the program was such a great success that the SFHA was going to send out a press release to inform the public of the good deeds of the youth who participated in the program. Mr. Fortner thanked Commissioner Clark for bringing the Superskills Basketball Program to the SFHA and hoped that the two entities could embark on future endeavors together. Next was an article from the LA Times discussing the SFHA Section 8 lease up efforts. Mr. Fortner said that it was a positive write-up and invited the Commission to read it at their leisure. Mr. Fortner then invited Belinda Morgan forward to present the details of the Computer Learning/ Education Center at the request of Commissioner Gans.

Belinda Morgan stated that the report she was presenting was the status of the Computer Learning Center as of August 14, 2003. Ms. Morgan informed the Commission that the Learning Center had successfully relocated to Rosa Parks. Forty CalWORKS and non CalWORKS students graduated in February of 2003 and the Learning Center is collaborating with UCSF for internship opportunities. Ms. Morgan reported that this is the fourth year of the after school tutorial program, scheduled to begin on October 1, 2003. One of the goals of the SFHA is to continue the adult programming, but the possibility is contingent on the availability of funding. Ms. Morgan stated that another goal is to increase the number of SFHA resident voters by 25%. In November, notices will be posted for a volunteer training on tax preparation so that more residents can take advantage of earned income credit and child credit. Another goal is to employ more graduates of the Computer Learning Center and increase the computer awareness of the senior residential population. The senior classes currently have a high enrollment rate. Funding projections are ongoing and the SFHA has not received official notification from the Neighborhood Networks or the Department of Education regarding the availability of

funds. Ms. Morgan explained that the Computer Learning Center is a vendor for the CalWorks Welfare to Work program as well as the youth programming. The Computer Learning Center is in the process of negotiating their fees from $2,250 per student. Ms. Morgan commented that this is the seventh year of the Computer Learning Centers activities. She thanked the administration and the public for its continued support. Ms. Morgan stated that the partners of the Computer Learning Center are the San Francisco Unified School District, San Francisco State University, Department of Human Services, Florence Crittenton Services, One-Economy, FDIC, IRS, and the One Stop Career Centers.

President Palega asked what the hours of operation were for the Computer Learning Center. Ms. Morgan brought the Commission's attention to a handout detailing their various business hours and the schedule for the upcoming session.

Commissioner Gans asked if the tutorial program would be reopened in Alemany. Ms. Morgan answered that it would and the literature detailed the objectives and hours that the public could benefit from the program.

Commissioner Brown asked if the increased population being served would affect the goals set by the Computer Learning Center. Ms. Morgan replied that the Center is witnessing an increase in the unemployed, underemployed, those wishing to seek additional education, and children who have been disenfranchised by the system. The Center is sustaining other clientele who are doing pretty well.

Mr. Fortner complimented Ms. Morgan on her diligent determination, and commitment to finding and receiving small grants for additional program funding.

Mr. Fortner's final item was in reference to the national budget. He announced that Section 8 and Public Housing received more money than what was in the President's original budget, however it was no more money than provided last year. This means that next year, the SFHA will experience a 7% cut in the operating subsidy. The capital fund was cut from $15 million last year to $12 million this year leaving the SFHA to still face a dilemma in funding. Section 8 will be fully funded, but many programs will be cut drastically or nonexistent. The $3 million cut in funding will go into effect on October 1, 2003. The Federal government has stated that an additional $44 million for nationwide public housing has been allocated. Mr. Fortner expressed skepticism in whether or not the funding will be produced. Immediately, the SFHA faces receiving only 93% of the funding in 2003 and 2004.

Commissioner Clark asked if this means that next year's funding would decrease by 10%. Mr. Fortner responded that the appropriations of last year would only be funded by 93% in 2003. Assuming that public housing will face the same predicament next year, 2004 would be funded at 93% of the 2003 budget. The SFHA's income has remained static or decreased in the last 3 years, while expenses have risen over the same span of time. Mr.

Fortner stated that while President Bush is requesting $87 billion from Congress to continue funding the war on Iraq, no one is championing the challenge of the public housing funding issues.

Commissioner Clark asked Mr. Fortner to comment on the correspondence regarding TARC. Mr. Fortner stated that the TARC office in Memphis, Tennessee is being dissolved and the public housing aspect of the SFHA will now be reporting to the HUD office at 450 Golden Gate. Commissioner Clark asked if the SFHA is reporting to TARC because of some type of trouble it's in. Mr. Fortner replied that after the year 2000 the Agency was determined to be financially substandard, but was never categorized as troubled. When HUD took over the SFHA from September 1996 through September 1997, it was determined that the SFHA could receive more funding by reporting to TARC versus HUD.

6. COMMITTEE REPORTS

***Diversity Committee***
No report.

***Finance Committee***
No report.

***Personnel Committee***
No report.

7. REPORT OF AGENCY COUNSEL

Agency Counsel Donna Martin stated that on September 25, 2003 the Commission would hold its Annual Meeting at which time the President and Vice President will be chosen for the following year. Ms. Martin also announced that the Commission would be holding a closed session to discuss SFHA vs. HUD and USA vs. SFHA, as well as an unspecified case, which is unnamed to avoid jeopardizing existing settlement negotiations.

Commissioner Clark requested that Item 11A be heard after the Closed Session on the agenda. Ms. Martin stated that there was no conflict in doing so.

8. TENANT REPRESENTATIVE REPORT

***City Wide Council - Senior/Disabled***

President William Vitale reported that the City Wide Council is working on their budget for next year and is planning a trip and seminar for September 26, 2003 aboard the Horn Blower cruise. Between 160 and 175 people are expected to attend. Mr. Vitale excused himself from the meeting due to a cold.

***Public Housing Tenants Association (PHTA)***

No representative was present.

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

There were no public comments on the agenda items.

10. UNFINISHED BUSINESS:

There was no unfinished business.

11. NEW BUSINESS

At the previous request of Commissioner Clark, item 11A was to be heard proceeding the closed session.

Resolution No. 5111

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH A. S. F. ELECTRIC, INC. TO CONDUCT SMOKE DETECTOR SYSTEM UPGRADES AT CAL 1-17 A, HUNTERS POINT A, UPPER AND LOWER WEST & CAL 1-18 (4), ALICE GRIFFITH, IN AN AMOUNT NOT TO EXCEED $606,905.00

Barbara Smith, Housing Development and Modernization Administrator presented the details of this resolution. Ms. Smith informed the Commission that this funding would be used to replace battery-operated smoke detectors in the aforementioned sites with hardwire, battery-backup smoke detectors. The hardwire, battery-backup smoke detectors are required by HUD and the local fire department. Currently, the battery-operated smoke detectors have to be reviewed and replaced every six months. Sometimes they are dysfunctional, or tampered with and are not the safest type to have in developments. All 467 units at the Hunters Point and Alice Griffith sites will be upgraded. Upon completion, the SFHA will have upgraded 90% of its units to the new standards. Revenues had been reserved to upgrade the last 10% and will be presented to the Commission in the future. Ms. Smith stated that the procurement process met the HUD 24CFR 85.36 requirements. The bid documents were developed using the SFHA's

Procurement and Contract department's boiler-plate documents. The technical specifications and drawings were provided by F.W. and Associates. The contracts were reviewed by Housing Development and Modernization and Procurement and Contracts, before the bidding process began. Extensive outreach resulted in six potential bidders. Four contractors attended the onsite bid-walk on August 6, 2003. The SFHA received 2 completed bid packages, the lower of which is being considered. Ms. Smith stated that a representative from the company was present to address any questions. She also detailed the company's positive track record in regards to previous work done and few change order requests.

Commissioner Clark asked why the battery-operated smoke detectors were being replaced. Ms. Smith reiterated the increased safety precautions and HUD requirements that compelled the SFHA to replace the smoke detectors. In response to Commissioner Clark's follow up question, Ms. Smith stated that the new smoke detectors are actually connected to the wiring system of the unit and if the power failed, the battery would be the smoke detectors' energy resource.

Commissioner Woodruff asked if there were other facilities to be upgraded to the HUD and fire department's standards. Ms. Smith answered that only 10% were left upon the completion of this project.

Commissioner Brown moved to approve Resolution No. 5111. Commissioner Gans seconded the motion. The motion to approve Resolution No. 5111 was unanimously passed.

Resolution No. 5112

(C) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH KIN WO CONSTRUCTION, INC. FOR THE REPAIR OF EXTERIOR DECKS AND STAIRS AT CAL 1-10, POTRERO ANNEX, IN AN AMOUNT NOT TO EXCEED $1,196,800.00

Barbara Smith, Housing Development and Modernization Administrator presented the details of this resolution. Ms. Smith stated that there are 157 units at the Potrero Annex Development, built in 1955. Since that time, there has not been extensive deck work performed on the building. A detailed assessment was conducted by Lin + Meinhard, architectural consultants and Structus, Inc., structural engineering consultants. They concluded that the exterior stairs and decks are structurally unsound. There is extensive dry rot causing a safety hazard for the residents. These are not just decks, but the main access to the units. Ms. Smith stated that the procurement process met the HUD 24CFR 85.36 requirements. The bid documents were developed using the SFHA's Procurement and Contract department's boiler-plate documents. Construction drawings and specifications were prepared by Lin + Meinhard. Extensive outreach resulted in 17 potential bidders' request for the invitation to bid documents, plans and specifications.

Eight contractors attended the on site bid walk conducted on August 12, 2003. The SFHA received bids from 2 responsive and responsible contractors. Both were in attendance when the sealed bid documents were made public and read aloud. The submitted documents were reviewed by Housing Development and Modernization, the Procurements and Contracts department, and then forwarded to TARC for approval. The low bidder was Kin Wo Construction, Inc. A reference check was performed and revealed that the firm was responsible and had a good record. Ms. Smith stated that Kin Wo Construction, Inc. is not debarred from federal and non-procurement work. Kin Wo Construction has estimated that it will take up to 1,536 hours to complete. Resident employees will perform a minimum of 384 hours of the work, but the goal is to have 460 hours completed by residents. There would be seven of their current workers and 4 to 5 residential employees to perform the work. Kin Wo Construction, Inc. is a certified, economically disadvantaged, local, minority business enterprise. Ms. Smith then detailed the work to be completed.

Commissioner Woodruff moved to approve Resolution No. 5112. Commissioner Gans seconded the motion. The motion to approve Resolution No. 5112 was unanimously approved.

(D) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ~~ARCO~~ **ACRO [AS AMENDED]** GRAPHICS SIGN SERVICE TO FABRICATE AND INSTALL EVACUATION AND STAIRWELL SIGNS AT CAL 1-21, 320/330 CLEMENTINA; CAL 1-19(2), 1750 MCALLISTER; CAL 1-37, 491 31$^{ST}$ AVENUE; CAL 1-29, 345 ARGUELLO ~~STREET~~ **BOULEVARD [AS AMENDED]**; CAL 1-23, 1880 PINE STREET; CAL 1-18(13), MISSION DOLORES; CAL 1-34, 363 NOE STREET; CAL 1-36, 227 BAY STREET; CAL 1-20, 3850 18TH STREET, IN AN AMOUNT NOT TO EXCEED $ 47,500.00

Barbara Smith, Housing Development and Modernization Administrator presented the details of this resolution. Ms. Smith stated that this resolution would ensure an additional safety item required by the San Francisco Fire Code and HUD. All property owners of high and mid-rise buildings must install signs to identify fire escape routes for emergency evacuations and post them at elevator lobbies and fire exit stairs. The signs were also a requirement of the Americans with Disabilities Act. The SFHA desired to enhance the life safety of all the buildings undergoing this improvement. Ms. Smith explained that the same procurement process was followed as in the previous resolutions. Ten potential bidders, three of which were MBE/WBE certified, requested the invitation for bid documents, plans and specifications. Four contractors attended the on site bid-walk on August 12, 2003. Ms. Smith explained that this was a request for proposals (RFP), which would be granted by the SFHA based on the best terms for the authority from a cost and technical standpoint. The lowest bidder refused to comply with the SFHA resident hiring requirements as well as participate in an oral interview process. ACRO was the next

highest ranking bidder. ACRO exceeded the MBE/WBE requirements by having two MBE/WBE subcontractors. They were also planning to exceed the resident hiring requirement. Ms. Smith stated that based on the above information, ACRO is the most advantageous company to award the contract to. A reference check was performed and revealed that the firm was responsible and had a good record. Ms. Smith stated that ACRO is not debarred from federal and non-procurement work. ACRO will be inspecting all properties to ensure compliance with the San Francisco Fire Department, Americans with Disabilities Act, and Title 24 Accessibility Code requirements. They will design the evacuation and stairwell signs in conformance with Title 19 California Code, section 3.09, the San Francisco Fire Department, the Americans with Disabilities Act and Title 24 Accessibility Code. Ms. Smith explained the process by which ACRO will have the signs approved.

Executive Director Gregg Fortner asked if the name of the company is ARCO or ACRO. Ms. Smith answered that it was ACRO. Mr. Fortner asked that the record reflect all references to ARCO are meant to be ACRO.

President Palega asked Ms. Smith to get a letter from the lowest bidder stating that they refused to abide by the SFHA resident hiring requirement. Frances Ung explained that during the telephone interview with the lowest bidder, she confirmed that they were not going to attend the interview because they could not comply with the resident hiring requirement nor were they MBE/WBE certified. President Palega asked if Mr. Ung followed up with a letter from them verifying this in order to avoid possibly being sued in the future for being the lowest bidder and not receiving the contract. Mr. Ung answered that no letter was received nor sent verifying the phone conversation. Mr. Fortner asked Rene Latosa to expound on the reasoning. Mr. Latosa stated that this is not a requirement because the low bid does not ensure an awarded contract. There is a scoring process that takes into account various factors into a final selection. President Palega responded that the low bidder was selected, but didn't want to comply with all of the SFHA requirements and reiterated that the reasoning should be obtained in writing. Mr. Fortner suggested tabling the item and sending a letter to verify the phone conversation with Frances Ung.

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

*Mirna Escobar*, of the Bilingual Community Advocates questioned what the SFHA is going to do about the female gangs engaged in criminal activity in public housing. Ms. Esobar stated that she had talked to the manager of Eligibility who said that transfers are going to stop and the department will now focus on housing for homeless people. Ms. Escobar said that she had also been attacked by teenage females, and none of their families had been evicted or called into account. Furthermore, she had asked for a copy of the Sunshine Ordinance and had never received it. Mr. Fortner stated that this body is not governed by the Sunshine Ordinance, but by the Brown Act. Ms. Escobar requested a copy of the Brown Act.

13. COMMISSIONER COMMENTS AND REPORTS

No Comments or Reports.

14. CLOSED SESSION

President Palega announced that the Commission had concluded its public business and would go into closed session. A Closed session was scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (SFHA vs. HUD and USA vs. SFHA; case name unspecified to avoid jeopardizing existing settlement negotiations). The Commission went into closed session at 4:59 p.m.

15. RECONVENING OF THE COMMISSION MEETING

The Commission reconvened at 6:08 p.m. The Commission met in closed session to discuss the items noticed on the agenda. The Commissioners present in the closed session were President Palega, Commissioners Woodruff, Gans, Clark and Brown. Commissioner Clark left before the closed session. President Palega stated that the Commission had instructed the Agency Counsel to keep them informed though nothing had been finalized. President Palega stated that the Commission would now hear Resolution A.

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR GENERAL LEGAL SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT-TO-EXCEED $500,000.00

Commissioner Clark requested that the item be tabled until the September 25, 2003 meeting.

16. ADJOURNMENT

There being no further business to come before the Commission, Commissioner Clark moved to adjourn the meeting and Commissioner Woodruff seconded the motion. President Sululagi Palega adjourned the regularly scheduled meeting of September 11, 2003 at 6:10 p.m.

Gregg Fortner, Secretary/Executive Director

Sululagi Palega, President

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

# NOTICE

## ANNUAL MEETING

THE ANNUAL MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION WILL
BE HELD ON THURSDAY, SEPTEMBER 25, 2003 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

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**AGENDA**
**September 25, 2003**

1. ROLL CALL

   *Sululagi Palega, Sr., President*
   *Julie Lee, Vice President*
   *George R. Brown, Commissioner*
   *Betty J. Smith, Commissioner*
   *Andrew J. Clark, Commissioner*
   *Neola Gans, Commissioner*
   *Rev. George Woodruff, Commissioner*

2. APPROVAL OF AGENDA

3. ELECTION OF OFFICERS

   - PRESIDENT
   - VICE PRESIDENT

4. ADJOURNMENT

The regularly scheduled meeting of the Commission will follow the adjournment of the Annual Meeting

GREGG FORTNER, SECRETARY/ EXECUTIVE DIRECTOR

# SAN FRANCISCO HOUSING AUTHORITY

440 Turk Street • San Francisco CA • 94102 • (415) 554-1200


# NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, SEPTEMBER 25, 2003 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

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## AGENDA
**September 25, 2003**

1. ROLL CALL

   *Sululagi Palega, Sr., President*
   *Julie Lee, Vice President*
   *George R. Brown, Commissioner*
   *Betty J. Smith, Commissioner*
   *Andrew J. Clark, Commissioner*
   *Neola Gans, Commissioner*
   *Rev. George Woodruff, Commissioner*

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - September 11, 2003 Regular Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee – Nothing to Report
   Finance Committee – Nothing to Report
   Personnel Committee – Nothing to Report

7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A TWO-YEAR CONTRACT FOR GENERAL LEGAL SERVICES ON AN AS-NEEDED BASIS IN AN AMOUNT NOT-TO-EXCEED $500,000.00

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ACRO GRAPHICS SIGN SERVICE TO FABRICATE AND INSTALL EVACUATION AND STAIRWELL SIGNS AT CAL 1-21, 320/330 CLEMENTINA; CAL 1-19(2), 1750 McALLISTER; CAL 1-37, 491 31ST AVENUE; CAL 1-29, 345 ARGUELLO BLVD.; CAL 1-23, 1880 PINE STREET; CAL 1-18(13), MISSION DOLORES; CAL 1-34, 363 NOE STREET; CAL 1-36, 227 BAY STREET; CAL 1-20, 3850 18Th. STREET, IN AN AMOUNT NOT TO EXCEED $ 47,500.00

11. NEW BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO CONTINUE GENERAL LIABILITY INSURANCE COVERAGE WITH THE HOUSING AUTHORITY RISK RETENTION GROUP ON A MONTH-TO-MONTH, PRO-RATA BASIS, AND AUTHORIZE PAYMENT FOR SAID COVERAGE IN AN AMOUNT NOT TO EXCEED $240,000.00

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO CONTINUE PROPERTY/CASUALTY COVERAGE WITH THE HOUSING AUTHORITY INSURANCE ON A MONTH-TO-MONTH, PRO-RATA BASIS, AUTHORIZE PAYMENT FOR SAID COVERAGE IN AN AMOUNT NOT TO EXCEED $150,000.00

(C) RESOLUTION FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS

(D) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH FINE LINE CONSTRUCTION FOR THE REPAIR OF EXTERIOR DECKS & STAIRS AT CAL 1-18(7), VELASCO AVENUE, IN AN AMOUNT NOT TO EXCEED $300,966.00

(E) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH CDX BUILDERS INC. FOR THE HEATING AND HOT WATER BOILERS, AND PIPING REPLACEMENT WORK AT CAL 1-2, POTRERO TERRACE, AND CAL 1-18(10), WOODSIDE GARDENS, IN AN AMOUNT NOT TO EXCEED $783,800.00

(F) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH CDX BUILDERS FOR RANGE REPLACEMENT WORK AT CAL 1-18(10), WOODSIDE GARDENS AND CAL 1-18(13), MISSION DOLORES, IN AN AMOUNT NOT TO EXCEED $226,800.00

(G) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH BAY CONSTRUCTION COMPANY FOR THE FIRE ALARM SYSTEM UPGRADES AT CAL 1-43, ROBERT. B. PITTS PLAZA, AND CAL 1-18(7), VELASCO AVENUE, IN AN AMOUNT NOT TO EXCEED $613,000.00

(H) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SONOMARIN INC. FOR DOMESTIC HOT WATER HEATERS, STORAGE TANKS, ASSOCIATED EQUIPMENT, AND PIPE REPLACEMENT WORK AT CAL 1-1, HOLLY COURTS, IN AN AMOUNT NOT TO EXCEED $373,818.00

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

A Closed session is scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (SFHA vs. HUD and USA vs. SFHA; case name unspecified to avoid jeopardizing existing settlement negotiations).

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

# HOUSING AUTHORITY
# OF THE
# CITY AND COUNTY OF SAN FRANCISCO

Minutes of Annual Meeting
Thursday, September 25, 2003

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in an annually scheduled meeting at 440 Turk Street, San Francisco, California on Thursday, September 25, 2003, at 4:00 p.m.

President Sululagi Palega called the meeting to order at 4:12 p.m.

1. ROLL CALL

Roll call found the following members to be:

PRESENT: *Sululagi Palega, Sr., President*
*Julie Lee, Vice President*
*George R. Brown, Commissioner*
*Betty J. Smith, Commissioner*
*Andrew Clark, Commissioner*
*Neola Gans, Commissioner*
*Rev. George Woodruff*

A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director/Secretary*
*Ms. Donna Martin, General Counsel*

2. APPROVAL OF AGENDA

Commissioner Clark moved to approve the agenda. Commissioner Woodruff seconded the motion. The motion to approve the agenda was unanimously passed.

3. ELECTION OF OFFICERS

Donna Martin announced that Under the by laws of the Housing Authority of City and County of San Francisco Article 2 Section 6 provides that the president and vice president shall be elected at the Annual Meeting from among the Commissioners of the Authority and shall hold office for one year. Beginning at the first regularly scheduled Commission meeting in the month following their election. The officer shall serve until they are removed or until their successors are elected and have qualified. She then called for nominations for the office of president. Commissioner Gans nominated Commissioner Lee

for the office of president. Commissioner Brown seconded the motion. Commissioner Clark nominated Commissioner Palega for the office of president. Commissioner Smith seconded the motion. Since there were no further nominations, Ms. Martin closed nominations and called for a vote. Commissioner Lee received four votes from herself, Commissioner Brown, Commissioner Gans, and Commissioner Woodruff. Commissioner Palega received three votes from Commissioner Clark, Commissioner Smith and himself. Commissioner Lee was elected for the office of president.

Donna Martin called for nominations for the office of vice president. President Palega nominated Commissioner Clark for the office vice president. There was no second for the nomination. Commissioner Gans nominated Commissioner Brown for the office of vice president. Commissioner Lee seconded the motion. Since there were no further nominations Donna Martin called for a vote. Commissioner Clark received one vote from President Palega. Commissioner Brown received five votes from himself, Commissioner Woodruff, Commissioner Gans, Commissioner Smith, and Commissioner Lee. Commissioner Clark abstained from voting. Ms. Martin announced that Commissioner Brown was elected vice president.

President Palega thanked his colleagues, residents and staff for the years he worked with them. He stated that the Housing Authority is being used for leverage in the mayoral debates and he hopes that staff and his colleagues, who have stepped forward, are up for the challenge.

Executive Director Gregg Fortner thanked President Palega for his years of service and congratulated the new officers on their election.

4. ADJOURNMENT

Commissioner Brown motioned for the annual meeting to be adjourned. Commissioner Woodruff seconded the motion. Commissioner Palega adjourned the annual meeting of the commission September 25, 2003 at 4:24 PM.

Gregg Fortner, Secretary/Executive Director

Sululagi Palega, Sr., President

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94102 • (415) 554-1200

# NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, OCTOBER 9, 2003 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

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## AGENDA
**October 9, 2003**

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1. ROLL CALL

   *Julie Lee, President*
   *George R. Brown, Vice President*
   *Sululagi Palega, Sr., Commissioner*
   *Betty J. Smith, Commissioner*
   *Andrew J. Clark, Commissioner*
   *Neola Gans, Commissioner*
   *Rev. George Woodruff, Commissioner*

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - September 25, 2003 Regular Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee – Nothing to Report
   Finance Committee – Nothing to Report
   Personnel Committee – Nothing to Report

7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH FINE LINE CONSTRUCTION FOR THE REPAIR OF EXTERIOR DECKS & STAIRS AT CAL 1-18(7), VELASCO AVENUE, IN AN AMOUNT NOT TO EXCEED $300,966.00

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SONOMARIN INC. FOR DOMESTIC HOT WATER HEATERS, STORAGE TANKS, ASSOCIATED EQUIPMENT, AND PIPE REPLACEMENT WORK AT CAL 1-1, HOLLY COURTS, IN AN AMOUNT NOT TO EXCEED $373,818.00

(C) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ACRO GRAPHICS SIGN SERVICE TO FABRICATE AND INSTALL EVACUATION AND STAIRWELL SIGNS AT CAL 1-21, 320/330 CLEMENTINA; CAL 1-19(2), 1750 McALLISTER; CAL 1-37, 491 31$^{ST}$ AVENUE; CAL 1-29, 345 ARGUELLO BLVD.; CAL 1-23, 1880 PINE STREET; CAL 1-18(13), MISSION DOLORES; CAL 1-34, 363 NOE STREET; CAL 1-36, 227 BAY STREET; CAL 1-20, 3850 18Th. STREET, IN AN AMOUNT NOT TO EXCEED $ 47,500.00

11. NEW BUSINESS

(A) RESOLUTION TO AUTHORIZE THE EXECUTION OF AN INSURANCE POLICY AND PAYMENT TO THE UNIGARD INSURANCE COMPANY FOR FLEET INSURANCE COVERAGE FOR FISCAL YEAR 2003-2004 IN AN AMOUNT NOT TO EXCEED $249,642.00

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

U-A

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: October 9, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Julie Lee, President*
*George R. Brown, Vice President*
*Sululagi Palega, Sr., Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff, Commissioner*

FROM: Gregg Fortner, Secretary/Executive ~~Director~~

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH FINE LINE CONSTRUCTION FOR THE REPAIR OF EXTERIOR DECKS & STAIRS AT CAL 1-18(7), VELASCO AVENUE, IN AN AMOUNT NOT TO EXCEED $300,966**

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**OVERVIEW**

This Resolution will authorize the Executive Director to enter into a contract with Fine Line Construction for the Repair of Exterior Decks & Stairs at CAL 1-18(7), Velasco Avenue, a Senior Development.

Velasco Avenue is an 18 unit, two story building, built in 1962. The exterior concrete deck has cracks and spalls along the edge, and the supporting structural steel beams and fascia boards have deteriorated and in need of immediate repair. The three exterior steel stairs have corroded beyond repair and in need of immediate replacement. The supporting structural steel stringers of these stairs have extensive to severe damage and pose an immediate life safety threat.

**PROCUREMENT**

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Housing Development & Modernization Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and Construction Documents (Drawings and technical specifications) furnished by the Authority's Architectural and Engineering Services Consultant, the KPA Group. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

The Authority advertised for bidders and outreached to potential bidders as follows:

**Past Bidders List, Contractors Blue Book & Yellow Pages**: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to one hundred thirty eight (138) individual contractors from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

**HRC**: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to eighty-seven (87) contractors listed in the City of San Francisco Human Rights Commission Local/Minority/Woman Business Enterprise Directory.

**Labor Unions:** The Authority mailed its Invitation for Bids Documents, Plans & Specifications to Stan Warren at the San Francisco Buildings Trade Council.

**Newspapers**: The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:

- Daily Pacific Builder, (trade publication)
- San Francisco Bay View, (African American community)
- Sing Tao Daily, (Asian American Community)

**Additional Newspapers**: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

**Public Agency Websites**: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

**Builders Exchanges**: The Authority sent its Invitation for Bid Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- Dodge Scan/Daily Pacific Builder,
- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Building Exchange of Stockton,
- Construction Data Plan Room,
- Solano-Napa Builders Exchange,
- Construction Market Data
- Sierra Contractors Exchange

Seventeen (17) potential bidders (6 of which are MBE/WBE) requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on August 6, 2003. In attendance were twelve contractors along with the Consultant, and Authority staff members.

**BIDDER SELECTION PROCESS**

The closing date for the solicitation was August 21, 2003 and the Authority received bids from four (4) contractors, all of which were responsible and responsive. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval, for submission to TARC and for approval to prepare this Resolution. The contractors' bids are as follows:

**BID PROPOSALS:**

| Bidder | Bid Proposal | 25% Resident Hiring | Contractor MBE/WBE | Sub Contractors | MBE/WBE Sub Contractor % Of Total Job | Total MBE/ WBE |
|---|---|---|---|---|---|---|
| Fine Line Construction | $300,966 | Yes | Yes 20% | Five | 28% | 48% |
| Huang Associates | $357,000 | Yes | No | Four | 33.3% | 33.3% |
| Kin Wo Construction | $456,800 | Yes | Yes 63.74% | Two | 9.74% | 73.48% |
| Best Roofing | $461,500 | Yes | No | Three | 30.8% | 30.8% |

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive and responsible bidder. Based on the above, the lowest, responsive and responsible bidder is Fine

Line Construction. Upon request Fine Line Construction reviewed their bid and informed Procurement that they stood by their bid.

According to the reference check on past projects performed by Fine Line Construction, the firm is a responsible contractor with a good record. They have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that Fine Line Construction is not debarred from Federal Procurement and Non-Procurement work.

**OBJECTIVES**

The objective of the Resolution is to authorize the Executive Director to enter into a contract for the Repair of Exterior Deck & Stairs at CAL 1-18(7), Velasco Avenue for the safety and welfare of the residents, and for the proper maintenance of the project. The scope of work can be summarized as follows:

1. Survey of existing conditions.
2. Prepare schedule and conduct tenant notification (48 hours).
3. Chip out concrete and repair of existing corroded steel edge of exterior second floor corridor deck.
4. Install new waterproofing membrane on repaired concrete deck.
5. Replace existing corroded exterior stairs with new prefabricated steel stairs.
6. Paint exterior of building in its entirety.

**PRESENT SITUATION**

Velasco Avenue is an 18 unit, two story building, built in 1962. The exterior concrete deck has cracks and spalls along the edge, and the supporting structural steel beams and fascia boards have deteriorated and are in need of immediate repair. The three exterior steel stairs have corroded beyond repair and need immediate replacement. The supporting structural steel stringers of these stairs have extensive to severe damage and pose an immediate life safety threat.

**ANTICIPATED OUTCOMES**

The repair of the exterior concrete deck and stair will eliminate the life safety hazards to the residents and will prolong the life of the building. Painting of the entire building exterior will enhance the appearance of this public housing development, promote resident pride, and preserve the Authority's real property investment

**WHO BENEFITS**

Public housing residents will benefit from safe and improved living conditions. The Authority will benefit from the maintenance that will add life to the building. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, Fine Line Construction is helping to create a pool of qualified residents for future work on similar Authority construction projects.

**BUDGET CONSIDERATION**

Funds are available through the Year 2002 Capital Fund Program.

**RESIDENT HIRING**

Fine Line Construction is required is to provide 25% resident hiring on this job. Fine Line Construction estimates that the project will take up to 2,444 man-hours to complete. Resident employees will perform 25% or a minimum of 611 hours of the work, with the intention to exceed the 25% resident hire goal. They are pursuing 5 new positions for resident hiring; two residents are already part of their permanent work force. The Contractor will employ eighteen workers from their current crews, two of which are residents, and five or more new resident hires.

In the most recent project Fine Line performed for the Authority, at CAL 1-18(4), Alice Griffith, they achieved 27% resident hire.

**MBE/WBE PARTICIPATION**

Fine Line Construction will sub-contract to one MBE/WBE firm, for a total of 28% MBE/WBE participation.

**RECOMMENDATION**

Fine Line Construction has submitted the lowest, responsible and responsive bid. They are committed to providing 25% resident hiring at a minimum. Funding is available in the HUD 2002 Capital Fund Program. Because the deteriorated deck and stairs pose an immediate life safety hazard to the residents, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with Fine Line Construction for the Repair of Exterior Deck and Stairs at CAL 1-18(7), Velasco Avenue in an amount not to exceed $300,966.

(Prepared by: Basil Nicolaou, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. _____
ADOPTED_____

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH FINE LINE CONSTRUCTION FOR THE REPAIR OF EXTERIOR DECKS AND STAIRS AT CAL 1-18(7), VELASCO AVENUE, IN AN AMOUNT NOT TO EXCEED $300,966**

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**WHEREAS,** The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-IFB-043 for the Repair of Exterior Decks & Stairs at CAL 1-18(7), Velasco Avenue, and

**WHEREAS,** Fine Line Construction has submitted the lowest responsive and responsible bid of $300,966.00 for the Repair of Exterior Decks & Stairs at CAL 1-18(7), Velasco Avenue; and

**WHEREAS,** these services are necessary to protect the health, safety and welfare of residents; and

**WHEREAS,** funding is available through the HUD 2002 Capital Fund Program; and

**WHEREAS,** the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

**WHEREAS,** all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

**WHERAS,** Fine Line Construction will meet the Resident Hiring requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The Executive Director is authorized to execute a contract with Fine Line Construction, for the Repair of Exterior Decks & Stairs at CAL 1-18(7), Velasco Avenue for an amount Not-To-Exceed $300,966.

2. This Resolution shall take effect immediately.

**APPROVED AT TO FORM AND LEGALITY: REVIEWED BY:**

Donna Mart
DONNA MARTIN, General Counsel

Date: 9-19-03

GREGG FORTNER, Executive Director

Date: 9/19/2003

4-B

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: October 9, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Julie Lee, President*
*George R. Brown, Vice President*
*Sululagi Palega, Sr., Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff, Commissioner*

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SONOMARIN INC. FOR DOMESTIC HOT WATER HEATERS, STORAGE TANKS, ASSOCIATED EQUIPMENT, AND PIPES REPLACEMENT WORK AT CAL 1-1, HOLLY COURTS, IN AN AMOUNT NOT TO EXCEED $373,818**

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**OVERVIEW**

This Resolution will authorize the Executive Director to enter into a contract with Sonomarin Inc. for the Domestic Hot Water Heaters, Storage Tanks, Associated Equipment, and Pipes Replacement work at CAL 1-1, Holly Courts, a family development.

Holly Courts was built in 1940 and consists of ten two-story buildings, and has 118 family dwelling units.

The Domestic Hot Water System is sixty-three years old, beyond repair, and in immediate need of replacement.

The Authority issued Solicitation No. 03-620-IFB-049 on August 11, 2003 following review and approval of the solicitation by the Finance and Procurement Departments.

**PROCUREMENT**

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement

Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Housing Development & Modernization Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and Construction Documents (Drawings and technical specifications) furnished by the Authority's Mechanical Engineering Services Consultant, Mechanical solutions. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

The Authority advertised for bidders and outreached to potential bidders as follows:

**Past Bidders List, Contractors Blue Book & Yellow Pages**: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to fifty-five (55) individual contractors from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

**HRC:** The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to twenty-four (24) MBE/WBE contractors listed by the San Francisco Human Rights Commission.

**Labor Unions:** The Authority mailed its Invitation for Bids Documents, Plans & Specifications to the San Francisco Buildings Trade Council.

**Newspapers:** The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:
Daily Pacific Builder, (trade publication)
San Francisco Bay View, (African American community)
Sing Tao Daily, (Asian American Community)

**Additional Newspapers**: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

**Public Agency Websites**: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

**Builders Exchanges**: The Authority sent its Invitation for Bid Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- Dodge Scan/Daily Pacific Builder,
- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Building Exchange of Stockton,
- Construction Data Plan Room,
- Solano-Napa Builders Exchange,
- Construction Market Data
- Sierra Contractors Exchange

Thirteen (13) potential bidders requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on August 27, 2003. In attendance were eight (8) contractors along with the Consultant, and Authority staff members.

**BIDDER SELECTION PROCESS**

The closing date for the solicitation was September 11, 2003 and the Authority received bids from three (3) responsive and responsible contractors. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval, for submission to TARC and for approval to prepare this Resolution. The contractors' bids are as follows:

**BID PROPOSALS:**

| Bidder | Bid Proposal | 25% Resident Hiring | Contractor MBE/ WBE | Sub Contractors | MBE/WBE Sub Contractor % Of Total Job | Total MBE/WBE |
|---|---|---|---|---|---|---|
| Sonomarin Inc. | $373,818 | Yes | No | Three | 21% | 21% |
| CDX Builders | $538,000 | Yes | No | Five | 68.8% | 68.8% |
| Trico Construction | $608,565 | Yes | No | Six | 20.13% | 20.13% |

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive and

responsible bidder. Based on the above, the lowest, responsive and responsible bidder is Sonomarin Inc. They are pursuing one position for resident hiring.

Sonomarin's bid is 43% lower than the cost estimate. Upon request, Sonomarin Inc. reviewed their bid and informed Procurement that they stood by their bid. They are a small firm of two partners, and they do most of the work themselves. Their subcontractor work is only 21% of the total. Their submitted job cost breakdown was analyzed by the Authority's consultant and was found to be realistic and acceptable.

According to the reference checks on past projects performed by Sonomarin Inc., the firm is a responsible contractor with a good record. They have performed similar contracts for other public agencies and have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that Sonomarin Inc. is not debarred from Federal Procurement and Non-Procurement work.

**OBJECTIVES**

The objective of the Resolution is to authorize the Executive Director to enter into a contract for the replacement and demolition of the existing domestic hot water heaters, storage tanks, associated equipment, and piping. The project consists generally of the replacement and demolition of the existing domestic hot water heaters, hot water storage tanks, pumps, accessories, control, vent, and pipes located in the heater rooms.
Work under this contract will generally include, but not be limited to, the following:

a. Site survey and verification of existing condition.

b. Replacement and demolition of the existing heating and domestic hot water heaters, pumps, accessories, control, and pipes.

c. Furnishing and installing all new equipment and accessories at ten locations.

d. Demolition and removal of the existing heating and domestic hot water boilers and pipes all in accordance with "SFHA Hazardous Materials Procedure", and

e. Provide domestic hot water to the residential units at all times during construction.

**PRESENT SITUATION**

Holly Courts is a San Francisco Housing Authority family development comprised of 10 two level residential buildings built in 1940. The 63-year-old domestic hot water heaters, storage tanks, associated equipment and piping have deteriorated beyond repair and need to be replaced immediately.

**ANTICIPATED OUTCOMES**

Replacement of the domestic hot water heaters, storage tanks, associated equipment, and piping will provide energy efficient, uninterrupted hot water to the residents. The Authority's maintenance department will be relieved of the constant calls for repairs and restoration of service

to the residents. Sonomarin Inc. will provide a two-year guarantee for materials and workmanship, in compliance with Authority standards.

**WHO BENEFITS**

Public housing residents will benefit from improved living conditions with no interruptions in hot water service. The energy efficiency of the new water heater system and the absence of maintenance calls will result in substantial operating savings to the Authority. The capital improvements will also benefit the Authority's real property assets and add to the longevity of the structures. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, Sonomarin Inc. is helping to create a pool of qualified residents for future work on similar Authority construction projects.

**BUDGET CONSIDERATION**

The Heating and Hot Water Boilers, and Piping Replacement is funded in the Year 2002 Capital Fund Program budgets. The low bid is 43% less than the independent cost estimate and budgeted amount.

**RESIDENT HIRING**

Sonomarin Inc. is committed to exceeding the 25 percent resident hiring goal on this job. The contractor estimates that it will take about 1600 hours to complete the project, of which a minimum 400 hours will be resident hire employment. One resident will be hired, and for the five-month duration of the project there will be 880 hours of resident hire, exceeding the 25% requirement by a wide margin.

**MBE/WBE PARTICIPATION**

Sonomarin is a small firm of two partners, and they do most of the work themselves. Sonomarin has achieved 21% MBE/WBE participation with its listed subcontractors and suppliers

**RECOMMENDATION**

Sonomarin Inc. has submitted the lowest, responsive and responsible bid. They are committed to providing 25% resident hiring at a minimum. Funding is available in the 2002 Capital Fund Programs. Because boilers and piping are in need of immediate replacement, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with Sonomarin Inc. for the Domestic Hot Water Heaters, and Pipes Replacement at CAL 1-1, Holly Courts in an amount not to exceed $373,818.

(Prepared by: Basil Nicolaou, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. _____
ADOPTED _____

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SONOMARIN INC. FOR DOMESTIC HOT WATER HEATERS, STORAGE TANKS, ASSOCIATED EQUIPMENT, AND PIPES REPLACEMENT WORK AT CAL 1-1, HOLLY COURTS, IN AN AMOUNT NOT TO EXCEED $373,818**

---

**WHEREAS,** The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-IFB-049 for Domestic Hot Water Heaters, Storage Tanks, and Pipes Replacement at CAL 1-1, Holly Courts, and

**WHEREAS**, Sonomarin Inc. submitted the lowest responsive and responsible bid of $373,818 to provide for the Domestic Hot Water Heaters, Storage Tanks, Associated Equipment, and Pipes Replacement at CAL 1-1, Holly Courts; and

**WHEREAS**, these services are necessary to protect the health and welfare of residents; and

**WHEREAS**, funding is available through the HUD 2002 Capital Fund Program; and

**WHEREAS**, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

**WHEREAS**, all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

**WHERAS**, Sonomarin Inc. will meet the Resident Hiring requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The Executive Director is authorized to execute a contract with Sonomarin Inc., to provide for the Domestic Hot Water Heaters, Storage Tanks, Associated Equipment, and Pipes Replacement at CAL 1-1, Holly Courts in an amount Not-To-Exceed $373,818.

2. This Resolution shall take effect immediately.

**APPROVED AT TO FORM AND LEGALITY: REVIEWED BY:**

Donna Martin
DONNA MARTIN, General Counsel

Date: 10-03-02

GREGG FORTNER, Executive Director

Date: 10/3/2003

U.C

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: October 9, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Julie Lee, President*
*George R. Brown, Vice President*
*Sululagi Palega, Sr., Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff, Commissioner*

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ARCO GRAPHICS SIGN SERVICE TO FABRICATE AND INSTALL EVACUATION AND STAIRWELL SIGNS AT CAL 1-21, 320/330 CLEMENTINA; CAL 1-19(2), 1750 McALLISTER; CAL 1-37, 491 31ST AVENUE; CAL 1-29, 345 ARGUELLO BLVD.; CAL 1-23, 1880 PINE STREET; CAL 1-18(13), MISSION DOLORES; CAL 1-34, 363 NOE STREET; CAL 1-36, 227 BAY STREET; CAL 1-20, 3850 18Th. STREET, IN AN AMOUNT NOT TO EXCEED $ 47,500.00.**

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**OVERVIEW**

This Resolution will authorize the Executive Director to enter into a contract for fabrication and installation of evacuation and stairwell signs at CAL 1-21, 320/330 Clementina; CAL 1-19(2), 1750 McAllister; CAL 1-37, 491 31ST Avenue; CAL 1-29, 345 Arguello Street; CAL 1-23, 1880 Pine Street; CAL 1-18(13), Mission Dolores; CAL 1-34, 363 Noe Street; CAL 1-36, 227 Bay Street; CAL 1-20, 3850 18Th. Street Developments.

San Francisco Fire Code requires property owners of mid-rise and high-rise buildings to install fire evacuation and stairwell signs to identify the fire escape routes for emergency evacuation of the building. The planned work includes design; fabrication and installation of 232 evacuation signs and 189 stairwell signs at elevator lobby and fire exit stair at the above referenced nine developments, per fire department and ADA code requirements. This contract is the mechanism by which the Authority engages the services of a licensed sign contractor to complete the evacuation and stairwell sign fabrication and installation work.

**PROCUREMENT**

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

**Prospective Bidders List, Contractors Blue Book & Yellow Pages**: The Authority e-mailed, faxed or mailed its Request for Proposals advertisement to fifty six (56) individual sign contractors from the Authority's prospective Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

**HRC**: The Authority e-mailed, faxed or mailed its Request for Proposals advertisement to seven (7) MBE/WBE contractor listed by the San Francisco Human Rights Commission. Note: Only seven contractors were listed at the time.

**Labor Unions:** The Authority mailed its Request for Proposals Documents, Plans & Specifications to Stan Warren at the San Francisco Buildings Trade Council.

**Newspapers**: The Authority publicly advertised its Request for Proposals advertisement in the following newspapers:

- Daily Pacific Builder, (trade publication)
- San Francisco Bay View, (African American community)
- Sing Tao Daily, (Asian American Community)

**Additional Newspapers**: The Authority e-mailed its Request for Proposals advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

**Public Agency Websites**: The Authority e-mailed its Request for Proposals advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

**Builders Exchanges**: The Authority sent its Request for Proposals Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- Dodge Scan/Daily Pacific Builder,
- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,

- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Building Exchange of Stockton,
- Construction Data Plan Room,
- Solano-Napa Builders Exchange,
- Construction Market Data
- Sierra Contractors Exchange

The Housing Development & Modernization Department (HD&M) developed the Request for Proposals Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and technical specifications furnished by the Authority's Housing Development and Modernization Department. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

Ten (10) potential bidders (3 of which are MBE/WBE) requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on August 12, 2003. In attendance were four contractors and Authority staff members.

**BIDDER SELECTION PROCESS**

The closing date for the solicitation was August 19, 2003. The Authority received proposals from five (5) companies. The proposals were reviewed and evaluated by HD&M and forwarded to P&C for review and approval, for submission to TARC and for approval to prepare this Resolution. The contractors' proposals are as follows:

**PROPOSALS:**

| Bidder | Bid Proposal | Contractor MBE/ WBE | Sub Contractors | MBE/ WBE | MBE/WBE Sub Contractor % Of Total Job | Total MBE/WBE |
|---|---|---|---|---|---|---|
| Ellis & Ellis | $46,405.42 | No | None | No | 0% | 0% |
| Acro Graphics Sign Service | $47,500 | No | Best MFG Megapix | Yes Yes | 45% | 45% |
| Garnett Sign Studio | $55,693 | Yes | None | Yes | 0% | 100% |
| Signs America | $61,251.42 | Yes | None | Yes | 0% | 100% |
| Priority | $77,865.84 | Yes | None | Yes | 0% | 100% |

The written proposals were reviewed by two HD&M staff members who scored each proposal against the evaluation criteria given in the Request for Proposals. The evaluation criteria were:

- Firm's past performance – 25%
- Firms experience – 25%
- M/WBE participation – 25%
- Affirmative Action Practices – 25%

**EVALUATION OF WRITTEN PROPOSALS:**

| Bidder | Score by Reviewer No. 1 | Score by Reviewer No. 2 | Average Score | Rank |
|---|---|---|---|---|
| Acro Graphics Sign Service | 96 | 100 | 98 | 1 |
| Garnett Sign Studio | 94 | 100 | 97 | 2 |
| Signs America | 92 | 90 | 91 | 3 |
| Priority | 85 | 87 | 86 | 4 |
| Ellis & Ellis | 45 | 45 | 45 | 5 |

Staff of San Francisco Housing Authority HD&M Department conducted a telephone interview with the lowest bid contractor, Ellis & Ellis Signs, on Monday, August 25, 2003. Ellis & Ellis Signs refused to comply with the Resident Hiring requirement and the MBE/WBE participation goal, and declined the Housing Authority's invitation for an oral interview. Resident hiring is a contract requirement and is not optional.

Acro Graphics Sign Service was the next lowest bidder and the highest ranked firm, based on the written proposal evaluation. On Tuesday August 26, 2003 at 2:00 p.m., Case Verploegh of Acro Graphics Sign Service came to 1815 Egbert for an oral interview. Acro Graphics Sign Service's proposal exceeds the 20% MBE/WBE participation goal. They are planning on hiring one resident and are willing to exceed the 25% Resident Hiring requirement as calculated by hours of employment.

Per HUD-5369-B Instructions to Bidders, the contract award is based on the lowest, responsive and responsible proposal. Based on the above, the lowest, responsive and responsible proposal is by Acro Graphics Sign Service. Upon request, Acro Graphics and Service reviewed their bid and informed Procurement that they stood by their bid.

According to the reference check on past projects performed by Acro Graphics Sign Service, the firm is a responsible contractor with a good record. They have performed similar contracts for other public agencies and have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that Arco Graphics Sign Service is not debarred from

Federal Procurement and Non-Procurement work.

**OBJECTIVES**

The objective of the Resolution is to authorize the Executive Director to enter into a contract to conduct evacuation sign and stairwell sign fabrication and installation at CAL 1-21, 320/330 Clementina; CAL 1-19(2), 1750 McAllister; CAL 1-37, 491 31$^{ST}$ Avenue; CAL 1-29, 345 Arguello Blvd.; CAL 1-23, 1880 Pine Street; CAL 1-18(13), Mission Dolores; CAL 1-34, 363 Noe Street; CAL 1-36, 227 Bay Street; CAL 1-20, 3850 18Th. Street, to protect the health and safety of resident. The scope of work can be summarized as follows:

1. Inspect all properties and verify all proposed sign locations for conformity to the requirements of San Francisco Fire Department, ADA and Title 24 accessibility Codes.
2. Furnish the design of evacuation signs and stairwell signs in conforming to the Title 19 California Code of Regulations – Section 3.09, San Francisco Fire Department's requirements, ADA and Title 24 accessibility code requirements.
3. Submit sign samples and required documents to Fire Marshal of San Francisco Fire Department for approval.
4. Submit the Fire Department approved sign samples and locations to San Francisco Housing Authority for review and approval.
5. Furnish and install all approved signs to the approved locations.

**PRESENT SITUATION**

Evacuation and stair exit signs were not required by Code when the buildings were constructed but are now required in new construction. The Authority desires to enhance the life safety features in all its buildings and is undertaking these improvements in this first of three phases of work.

**ANTICIPATED OUTCOMES**

Installation of evacuation signs at elevator lobbies and stairwell signs in nine senior developments in accordance with San Francisco Fire and ADA Code requirements.

**WHO BENEFITS**

Public housing residents will benefit from improved health, safety, and in general living conditions. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, Acro Graphic Sign Service is helping to create a qualified resident for future work on similar Authority projects.

**BUDGET CONSIDERATION**

Funds are available through the Year 2001 Capital Fund Program.

**RESIDENT HIRING**

Commission Resolution No. 4967 excludes the resident hiring requirement from non-construction contracts less than $50,000. However, the estimated cost was above $50,000 so the

resident hiring requirement was included in the RFP as a contract requirement. Acro Graphics Sign Service will provide a minimum of 25% resident hiring on this job. Acro Graphics Sign Service estimates that the project will take up to 100 man-hours to complete. Resident employees will perform 25% or a minimum of 25 hours of the work, with a goal of 30% or 30 man-hours of the work. The Contractor will employ four workers from their current crews and one resident.

**MBE/WBE PARTICIPATION**

Acro Graphics Sign Service made Good Faith Efforts to sub-contract to MBE/WBE firms. Two MBE/WBE contractors participation is expected through this Contract.

**RECOMMENDATION**

Acro Graphics Sign Service has submitted the lowest, responsive and responsible proposal. They are committed to providing 25% resident hiring at a minimum. Funding is available in the HUD 2001 Capital Fund Program. Because installation of evacuation and stairwell sign is needed to protect resident, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with Acro Graphics Sign Service for the fabrication and installation of evacuation and stairwell sign at CAL 1-21, 320/330 Clementina; CAL 1-19(2), 1750 McAllister; CAL 1-37, 491 31$^{ST}$ Avenue; CAL 1-29, 345 Arguello Blvd.; CAL 1-23, 1880 Pine Street; CAL 1-18(13), Mission Dolores; CAL 1-34, 363 Noe Street; CAL 1-36, 227 Bay Street; CAL 1-20, 3850 18Th. Street in an amount not to exceed $47,500.00.

(Prepared by: Francis Eng, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. 5120
ADOPTED 10/09/03

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ACRO GRAPHICS SIGN SERVICE TO CONDUCT EVACUATION SIGN AND STAIRWELL SIGN FABRICATION AND INSTALLATION AT CAL 1-21, 320/330 CLEMENTINA; CAL 1-19(2), 1750 McALLISTER; CAL 1-37, 491 31ST AVENUE; CAL 1-29, 345 ARGUELLO BLVD.; CAL 1-23, 1880 PINE STREET; CAL 1-18(13), MISSION DOLORES; CAL 1-34, 363 NOE STREET; CAL 1-36, 227 BAY STREET; CAL 1-20, 3850 18Th. STREET, IN AN AMOUNT NOT TO EXCEED $47,500.00**

**WHEREAS,** The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-RFP-030 for fabrication and installation of 232 evacuation signs and 189 stairwell signs at CAL 1-21, 320/330 Clementina; CAL 1-19(2), 1750 McAllister; CAL 1-37, 491 31ST Avenue; CAL 1-29, 345 Arguello Blvd.; CAL 1-23, 1880 Pine Street; CAL 1-18(13), Mission Dolores; CAL 1-34, 363 Noe Street; CAL 1-36, 227 Bay Street; CAL 1-20, 3850 18Th. Street, and

**WHEREAS**, Acro Graphics and Service submitted the lowest responsive and responsible proposal of $47,500.00 to provide for fabrication and installation of 232 evacuation signs and 189 stairwell signs, and

**WHEREAS**, these services are necessary to protect the health and welfare of resident; and

**WHEREAS**, funding is available through the HUD 2001 Capital Fund Program; and

**WHEREAS**, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

**WHEREAS**, all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

**WHERAS**, Acro Graphics Sign Service will meet the Resident Hiring requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The Executive Director is authorized to execute a contract with Acro Graphics Sign Service to provide evacuation sign and stairwell sign fabrication and installation at CAL 1-21, 320/330 Clementina; CAL 1-19(2), 1750 McAllister; CAL 1-37, 491 31ST Avenue; CAL 1-29, 345 Arguello Blvd.; CAL 1-23, 1880 Pine Street; CAL 1-18(13), Mission Dolores; CAL 1-34, 363 Noe Street; CAL 1-36, 227 Bay Street; CAL 1-20, 3850 18Th. Street for an amount Not-To-Exceed $47,500.00.
2. This Resolution shall take effect immediately.

**APPROVED AT TO FORM AND LEGALITY:**

Donna Mart
DONNA MARTIN, Managing Attorney
Date: 9-19-03

**REVIEWED BY:**

GREGG FORTNER, Executive Director
Date: 9/19/2003

A

# SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

October 9, 2003

**TO**: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Julie Lee, President*
*George R. Brown, Vice-President*
*Sululagi Palega, Sr., Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*Rev. George Woodruff, Commissioner*

**FROM**: Gregg Fortner, SECRETARY/EXECUTIVE DIRECTOR

**SUBJECT**: RESOLUTION AUTHORIZING THE EXECUTION OF AN INSURANCE POLICY WITH AND PAYMENT TO THE UNIGARD INSURANCE COMPANY FOR FLEET INSURANCE COVERAGE FOR FISCAL YEAR 2003-2004 IN AN AMOUNT NOT TO EXCEED $249,642.00

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**OVERVIEW:**

The attached resolution is submitted for your review and approval to execute an insurance policy and purchase order in an amount not to exceed $249,642.00 for fleet insurance required by the San Francisco Housing Authority ("the Authority").

The Authority maintains insurance on its vehicular fleet through an outside insurance company. The Authority's policy for the 2002-2003 period was due to expire on September 30, 2003. However, an extension was obtained in order to secure continued coverage at a competitive rate and obtain approval from this Commission.

In July 2003, the Office of General Counsel began the solicitation process. Notices were sent to nineteen (19) brokerage firms advising that the Authority was engaging in the solicitation process for general liability, property/casualty and auto coverage. Of the nineteen firms that were notified, three (3) expressed interest in the solicitation for coverage of the Authority's fleet.

The brokerage firm of Brown & Brown Insurance services was the only firm to complete a solicitation prior to the September 30 expiration date. The Authority's present provider, the Unigard Insurance Group, provided quotes through Brown & Brown. Brown & Brown also approached the following companies:

*Crum & Forster Insurance Company* – declined to quote due to multiple submissions from brokerage firms,

*Traveler's Insurance Group* – declined to quote due to multiple submissions from brokerage firms.

Unigard's quote provides coverage for 207 vehicles, as listed on the most recent Fleet Schedule at a price of $1,206.00 per vehicle, with the following limits:

- Bodily Injury and/or Property Damage $1 million any one loss
- Collision - $12,500 maximum loss - $1,000 deductible
- Comprehensive - $12,500 maximum loss - $250 deductible
- Medical Payments – Owned Vehicles only $5,000 any one loss

Upon review of the information submitted, it was determined that the Unigard Insurance Company could provide the appropriate level of insurance coverage in a manner that is most advantageous to the Authority, cost and other factors considered.

**OBJECTIVE:**

The objective is to obtain coverage for all of the Authority's fleet for the 2003-2004 policy period.

**PRESENT SITUATION:**

Presently, Unigard Insurance Group provides coverage for the Authority's fleet. The annual premium for the expiring coverage is $257,890.00 with a $1,000 deductible for collision coverage and a $250.00 deductible for comprehensive coverage.

**ANTICIPATED OUTCOME:**

The anticipated outcome is to renew coverage that is most advantageous for the Authority for the 2003-2004 policy period.

**BUDGET CONSIDERATIONS:**

Funding availability is part of the Authority's Low-Income Operating budget and the Section 8 budget for the Fiscal Year 2003-2004.

**WHO BENEFITS:**

The Authority benefits from full automobile insurance coverage.

**RECOMMENDATION:**

It is recommended that this resolution be adopted.

(Prepared by Victoria Adams, through Donna Martin, Office of General Counsel)

RESOLUTION NO.: 5121
DATE ADOPTED: 10/09/03

RESOLUTION AUTHORIZING THE EXECUTION OF AN INSURANCE POLICY WITH AND PAYMENT TO THE UNIGARD INSURANCE COMPANY FOR FLEET INSURANCE COVERAGE FOR FISCAL YEAR 2003-2004 IN AN AMOUNT NOT TO EXCEED $249,642.00

WHEREAS, the Authority, in order to insure its interest against risks associated with the use and operation of its vehicular fleet, it placed coverage with the Unigard Insurance Group by approval of Resolution No. 5060, dated October 24, 2003; and

WHEREAS, the Authority solicited, through a third party insurance brokerage firm for fleet insurance coverage to replace the policy that will expire on October 10, 2003; and

WHEREAS, the following insurance companies were approached and submitted the following responses:

- *Crum & Forster Insurance Company – declined to provide quote*
- *Traveler's Insurance Group – declined to provide quote;* and

WHEREAS, a review of all of the information provided was completed and it was determined that it was in the best interest of the Authority to renew fleet insurance with the Unigard Insurance Group; and

WHEREAS, funding for this service is available as part to the Authority's approved Low-Income Operating budget and Section 8 budget for the 2003-2004 fiscal year;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is authorized to bind coverage and provide funding for a fleet insurance policy with the Unigard Insurance Group in an amount not to exceed $249,642.00 for the 2003-2004 policy period.

2. This resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Mart

DONNA MARTIN
General Counsel

10-03-03
DATE

REVIEWED BY:

GREGG FORTNER
Executive Director

10/03/2003
DATE

# HOUSING AUTHORITY
# OF THE
# CITY AND COUNTY OF SAN FRANCISCO

Minutes of Regular Meeting
Thursday, October 9, 2003

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in a regularly scheduled meeting at 440 Turk Street, San Francisco, California on Thursday, October 9, 2003, at 4:00 p.m.

President Julie Lee called the meeting to order at 4:09 p.m.

DOCUMENTS DEPT.

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1. ROLL CALL

Roll call found the following members to be:

PRESENT: *Julie Lee, President*
*George R. Brown, Vice President (arrived at 4:16 p.m.)*
*Sululagi Palega, Sr., Commissioner*
*Betty J. Smith, Commissioner*
*Andrew Clark, Commissioner (excused at 5:12 p.m.)*
*Neola Gans, Commissioner*
*Rev. George Woodruff, Commissioner*

A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director*
*Ms. Michelle Brewer, Counsel from Goldfarb & Lipman*

2. APPROVAL OF AGENDA

Mr. Fortner asked to remove item 10-A and item 10-B from the agenda. Commissioner Clark moved to approve the agenda. Commissioner Woodruff seconded the motion. The motion to approve the agenda was unanimously passed.

3. APPROVAL OF MINUTES

Commissioner Smith moved to approve the minutes of the September 25, 2003 Regular Commission Meeting. Commissioner Gans seconded the motion. The motion to approve the minutes was passed by a unanimous vote.

4. GENERAL COMMUNICATIONS
5. REPORT OF SECRETARY

Executive Director Gregg Fortner asked the Commission's permission to present the General Communications and Report of the Secretary simultaneously. The Commission did not object. Mr. Fortner stated that Ms. Michelle Brewer, counsel from Goldfarb & Lipman, would be standing in for Ms. Donna Martin. He reported that the request log is up to date.

Mr. Fortner presented the tentative PHTA elections schedule. He stated that Ms. Martha Hollins from the Plaza East Resident and Tenant Association was present to give a report later on the agenda. Mr. Fortner noted the regular lease-up report, which showed the number of units the SFHA had available as well as the number of interviews conducted since the last meeting. Next, he reviewed a memo on the inquiry made by Commissioner Clark about a constituent of Tony Hall. Mr. Fortner then presented HUD's approval of a pre-construction services agreement that had been previously approved by this Commission.

Mr. Fortner noted the resident employment report, which detailed the SFHA's active contractors and the 25% resident hiring requirement. Mr. Fortner also presented an opinion letter from former General Counsel, Carl Williams, at the request of Commissioner Palega. The letter concerned the resident Commissioners and their ability to serve in any outside office they might hold. Mr. Fortner stated that a letter was sent to residents in response to the media reports regarding the SFHA request for qualifications. This letter was drafted to calm the fears of residents and to provide correct information about the redevelopment of public housing land. Mr. Fortner presented a report in regard to the inquiry by Commissioner Palega regarding the affectability of staff and staff contacts according to the Brown Act. Mr. Fortner acknowledged another letter that would be sent to inform residents of the changes and challenges in the coming year due to budget cuts.

Commissioner Clark asked Mr. Fortner to clarify the situation of the media's coverage of the SFHA's request for qualifications. Mr. Fortner replied that in order to ease the anxiety and dispel any rumors among the SFHA's residents, a letter was drafted to assure them there was no plan to demolish public housing and build multimillion-dollar homes. As far as the public process was concerned, Mr. Fortner stated that it could not be executed without knowledge of the opportunities available to the SFHA. Proceeding the exploration of available opportunities, resident input would be solicited. In response to Commissioner Clark's follow up question, Mr. Fortner stated that every resident received this letter.

Commissioner Smith asked Mr. Fortner to clarify the letter to Commissioner Gans that resident leaders are asking for compensation to serve on their boards, and whether or not that is permissible. Mr. Fortner replied he doubted that any by-laws would allow any officer to be paid. He assured the Commission that federal funds could not be used to pay an officer of a resident association. President Palega said that his concern was that individuals who were employed by the SFHA could not serve hold an office in a tenant's

association and nor could a Commissioner because of a conflict of interest. Commissioner Palega asked to get an updated opinion from the City Attorney's office. Mr. Fortner stated that the opinion could be obtained in-house and an updated opinion would be given with reference to the bylaws in order to confirm that nothing improper is being done. Mr. Vitale interjected that there are two HUD regulations that take into account those that are in supervisory positions cannot serve on boards, and stipends are allowed to each building. Mr. Fortner clarified to Mr. Vitale that neither Commissioner Gans nor Commissioner Smith receives a check from the SFHA as an employee. Mr. Fortner assured the Commission that an opinion would be prepared by the next Commission meeting.

Commissioner Brown asked if the media stories concerned the developer who spoke to the Commission about Bay View and Double Rock. Mr. Fortner replied no, the stories focused on the RFQ that was submitted at the end of July. The media claimed that the SFHA had no clear vision of what they wanted. Mr. Fortner stated that this was true, but the purpose of the RFQ was to determine what options were available to the Authority. Any contractor that wanted to redevelop a Public Housing Development would be required to replace each unit, one for one. Additional units would be determined based on the feasibility of the proposal. Due to the limited supply of funding, the SFHA has to examine non-traditional methods of upgrading its properties.

Commissioner Clark asked if the residents' input would be taken into consideration when embarking on the redevelopment projects. Mr. Fortner replied that the Commission and public would be consulted to obtain their ideas, input and concerns. Commissioner Clark's follow up question was whether there were HOPE VI funds available. Mr. Fortner replied that there are no HOPE VI funds available for this project. Congress had appropriated $200 million nationally for HOPE VI project, but that is about a 75% cut from previous years, making it much more competitive to receive the grant. Commissioner Clark asked about the specifics of how the SFHA planned to engage with prospective developers. Mr. Fortner stated that there are many possibilities, but the ultimate goal is to continue providing affordable housing for the public over the next generation.

Mr. Fortner reported that Ms. Gans and Ms. Smith were sworn in for two more years of Commission service and welcomed them to continue their good work. Commissioner Clark asked that the Commission receive notification prior to these events, so that they could have the option of attending. Mr. Fortner stated that it was announced at the last Commission meeting, but a follow up call will be instituted.

Mr. Fortner announced that the celebration for Mayor Willie Brown will take place Friday, November 14, 2003 10:00 a.m. to 2:00 p.m. at Hayes Valley. The streets will be closed off for the various festivities. Funding is being solicited from the SFHA's partners over the last eight years and Larry Nibbi was the first to donate $2,000.

6. COMMITTEE REPORTS

*Diversity Committee*
Commissioner Smith announced a Diversity Committee meeting set for October 15, 2003 at 11:00 a.m.

*Finance Committee*
Commissioner Palega announced an upcoming Finance Committee meeting with the exact date to be announced. Mr. Fortner suggested that it be held before the beginning of next year so that the closeout numbers could be discussed.

*Personnel Committee*
No report.

7. REPORT OF AGENCY COUNSEL

Agency Counsel Donna Martin was excused. Michelle Brewer stated that there was no report.

8. TENANT REPRESENTATIVE REPORT

*City Wide Council - Senior/Disabled*

President William Vitale announced that the cruise and lecture on September 26, 2003 was a success. There were 190 senior and disabled in attendance for the trip around the San Francisco Bay. He thanked Commissioner Smith, Ignatius Lenore, the senior social workers and aids for all of their help. Mr. Vitale stated that he would have the HUD information, regarding the two previous issues discussed, at the next Commission meeting.

*Public Housing Tenants Association (PHTA)*

President of the Plaza tenants association, Ms. Martha Hollins stated that the first meeting was held on September 11, 2003 and she was looking for two people to fill positions in the tenant association. She then addressed the security problem at Plaza East. She expressed great concern over it and asked to speak specifically about it at a later date. She recommended that more summer and after school activities for youth would help keep Plaza East safe.

Commissioner Palega asked Ms. Hollins if she had talked to the private owner of the property that borders Plaza East about combining security efforts. Ms. Hollins replied that she had concerns about the same area and that she would speak to Stephanie Fo about that area. She continued that the area creates a tricky situation for the security personnel, which is stretched over Hayes Valley and Plaza East. Commissioner Palega suggested making a connection with Officer Fagan, the Chief of Police to assist in increasing the

security of the area. Commissioner Palega asked Ms. Hollins to inform the staff of their next meeting with the police so that the Commissioners can be notified and attend. She suggested asking the SFPD to patrol that area more during the night to control the situation.

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

No public comments

10. UNFINISHED BUSINESS:

President Lee announced that items A and B would be heard at the next meeting and the Commission would now entertain Item C. Commissioner Clark excused himself from the meeting at this time.

Resolution No.5120

(C) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ACRO GRAPHICS SIGN SERVICE TO FABRICATE AND INSTALL EVACUATION AND STAIRWELL SIGNS AT CAL 1-21, 320/330 CLEMENTINA; CAL 1-19(2), 1750 McALLISTER; CAL 1-37, 491 31ST AVENUE; CAL 1-29, 345 ARGUELLO BLVD.; CAL 1-23, 1880 PINE STREET; CAL 1-18(13), MISSION DOLORES; CAL 1-34, 363 NOE STREET; CAL 1-36, 227 BAY STREET; CAL 1-20, 3850 18Th. STREET, IN AN AMOUNT NOT TO EXCEED $ 47,500.00

Barbara Smith, Housing Development and Modernization Administrator, presented this resolution. This resolution seeks to put the SFHA in compliance with SFFD fire code, the Americans with Disabilities Act and Title 24, which requires all owners of mid and high-rise building to install fire evacuation signs. This signage was not required 30 years ago when the buildings were constructed. The contractor will design, fabricate, and install 232 SFFD approved evacuation signs and 189 stairwell signs at nine senior high-rise developments. This will serve 860 senior households. The SFHA received five proposals from five different responsive and responsible companies. Rene Latosa, Director of Contracting, reported on the difference between RFP process and the IFB process as outlined in the Commissioners' packet. He stated one of the principal differences between the two was, contracts awarded to IFB contractors must go to the lowest bidder while the RFP has a subjective ranking system based on the requirements of the agency. This agency

insures that contractors are aware that MBE/WBE and resident hiring are central issues to the selection criteria.

Mr. Fortner stated that ACRO graphics was awarded the RFP because of it's 100 point ranking. He continued that ACRO was determined to be most able to perform the SFHA's mission at a reasonable price.

Ms. Smith stated that ACRO graphics appeared as the best overall value based on the SFHA requirements. She continued that ACRO Graphics held good references and had completed similar work for the San Francisco Department of Health and the San Francisco General Hospital. She stated that ACRO Graphics was committed to a 45% MBE/WBE and a 25% resident hiring policy. She stated that ACRO Graphics was had the 2nd lowest bid at $1,000 above the lowest bid.

Commissioner Palega asked Mr. Fortner for clarification about the ranking system and asked how a contractor could be unaware of the resident hiring and the MBE/WBE hiring requirements. He also asked how a score of 100 could be achieved without having the lowest bid. Mr. Fortner replied that there was no discussion with the contractor over the ability to do the work. Mr. Latosa added that the bid prices are not calculated into the ranking score. He continued that the ranking system is based on commitment to the agency's goals, previous work experience and references among other things.

Commissioner Clark asked on how people are contacted regarding this RFP and what is the process for negotiations after all the bids have been collected. Mr. Latosa replied that they have a list of contractors that they have compiled from public sources, as well as contractors who walk in and request a bid form. The same negotiations must be offered to all prospects. He stated because the SFHA is a public agency there are special regulations in regards to negotiations.

President Lee asked if it was up to Mr. Latosa's discretion to decide who receives the contracts based on his interpretation of the cost and ranking system. She expressed concern that high-ranking candidates are awarded the contract without keeping the budget in mind.

Commissioner Clark asked if contracts were awarded before they were brought before the Commission. He then asked if it was possible to award the contract to somebody and then negotiate a lower price now that there are multiple companies that can do the same work.

Mr. Latosa replied that no contract is awarded before it is brought to the Commission. He added the Fair Act of Competition passed by congress does not allow public agencies to auction a contract based on the lowest bid.

Commissioner Palega asked what was the central issue of negotiations. He added that he saw no point for negotiation if the requirements were clearly outlined in the RFP. Mr.

Fortner replied this agency does not negotiate and if it did, the negotiation would have to be the same terms as for every candidate contractor. He then asked if this Commission would like to set a practice to move forward with a lower bidder even though that bidder does not meet the resident and MBE/WBE hiring requirement. Mr. Fortner warned that action might set a dangerous precedent for future actions.

Commissioner Palega stated if the main reason that the contractor was looked over were that they refused to comply with the stated requirement, this Commission would like to hear that in clear language.

Mr. Fortner acknowledged that the previous presentations of this resolution did not go well. He stated that the somehow there was a turn to the matter of the low bid versus the actual RFP process.

Commissioner Woodruff inquired if the MBE/WBE and resident hiring were clearly stated in the RFP how was Elis & Elis unaware of it. Commissioner Palega asked if they were sent a clear letter of the requirements and if so does this commission have a copy of that letter. Mr. Latosa stated that the MBE/WBE and resident hiring requirements are clearly defined in two places on the RFP. He added that he did not know how Elis & Elis could have missed it.

President Lee expressed her concern that this agency could be doing much more to reach out to new contractors. She added with the increasing cuts new ways must be found to balance the budget. She continued that by helping smaller contractors become familiar with the process of submitting bids helps the Housings Authority. She expressed great concern over finding new and talented people to ease the budget crisis.

Mr. Fortner asked staff, if this was the first time ACRO graphics was hired by the Housing Authority. He also asked if they requested any help with the process. Ms. Smith replied that the SFHA had never worked with ACRO graphics before. She added that at first this contractor refused to hire a resident because they did not believe it was a requirement. She stated that this was the first time that they had faced this.

President Lee suggested, to keep the agencies best interests in mind a Commissioner should sit on the board to over see the bidding situation. Mr. Fortner replied that he would have to check with legal counsel because there might be a conflict of interest. President Lee suggested that perhaps a Commissioner could at least sit in on the meeting to learn more about the process.

Ms. Smith stated that her department does take the budget account and that the lowest bidder was only $1,000 less than ACRO graphics bid.

Vice President Brown expressed his commitment to building a community. He added he would rather spend an extra $1,000 dollars if it insured that a resident was employed. He

added that even in the face of budget cuts that this Commission must keep their principles and keep the resident hiring as a focus. Mr. Fortner stated that sessions are being set up on the IFB, the RFP, and RFQ process as well as other issues that are involved with conducting Commissioner duties.

Commissioner Woodruff moved to pass Resolution No. 5120. Commissioner Gans seconded the motion. Resolution No. 5120 passed by a majority vote with one opposition. (Commissioner Palega)

11. NEW BUSINESS

Resolution No. 5121

(A) RESOLUTION TO AUTHORIZE THE EXECUTION OF AN INSURANCE POLICY AND PAYMENT TO THE UNIGARD INSURANCE COMPANY FOR FLEET INSURANCE COVERAGE FOR FISCAL YEAR 2003-2004 IN AN AMOUNT NOT TO EXCEED $249,642.00

Dominica Henderson, Office of General Counsel staff, presented this resolution. Nineteen firms were sent notices and one returned a quote of Brown & Brown Insurance through Uniguard. The quote premium is lower this year because of the SFHA positive claims history. To continue this coverage at this quote Ms. Henderson recommended passing the resolution.

President Lee asked if the previous insurance policy had expired on September 30th and if we have had coverage until this time. Mr. Fortner replied that the SFHA was given an extension. President Lee stated that even though premium is lower the deductible is higher. She asked how much more would higher coverage cost. Mr. Fortner replied that higher coverage would not do much good because of the age of the fleet. President Lee asked how much would increasing the medical coverage affect the over all cost of the policy. Mr. Fortner replied that he could find out and that coverage can be raised while still in the policy.

Commissioner Woodruff asked what percentage of the fleet is new. Jim Williams, Director of Administrative Service and Security, answered that there are twelve newer vehicles purchased in the years 2000-2003.

Commissioner Palega asked the value of these newer vehicles. Mr. Williams replied the passenger cars are worth eighteen thousand while the trucks are worth thirty thousand. Commissioner Palega suggested just insuring the newer at a higher rate because there are so few of them. He then asked what is the value of the average fleet car. Mr. Williams replied that the average passenger car is ten to twelve thousand.

Vice President Brown asked how is the extension being paid for. Ms. Henderson replied that the extension is pro-rated but will not exceed the proposed amount.

Commissioner Smith moved to pass Resolution No. 5121. Commissioner Palega seconded the motion. The motion to approve Resolution No. 5121 unanimously passed.

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

No public comments

13. COMMISSIONER COMMENTS AND REPORTS

Vice President Lee suggested that a microphone be made available for speakers.

14. ADJOURNMENT

There being no further business to come before the Commission, Vice President Brown moved to adjourn the meeting and Commissioner Woodruff seconded the motion. President Lee adjourned the regularly scheduled meeting of October 9, 2003 at 5:37 p.m.

Gregg Fortner, Secretary/Executive Director

Julie Lee, President

**SAN FRANCISCO HOUSING AUTHORITY**
**440 Turk Street • San Francisco CA • 94102 • (415) 554-1200**

# NOTICE

THE REGULARLY SCHEDULED MEETING OF THE
SAN FRANCISCO HOUSING AUTHORITY COMMISSION
WILL BE HELD ON THURSDAY, OCTOBER 23, 2003 AT 4:00 P.M.
AT 440 TURK STREET, SAN FRANCISCO, CALIFORNIA, 94102

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## AGENDA
**October 23, 2003**

DOCUMENTS DEPT.
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1. ROLL CALL

   *Julie Lee, President*
   *George R. Brown, Vice President*
   *Sululagi Palega, Sr., Commissioner*
   *Betty J. Smith, Commissioner*
   *Andrew J. Clark, Commissioner*
   *Neola Gans, Commissioner*
   *Rev. George Woodruff, Commissioner*

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

   - September 25, 2003 Annual Commission Meeting
   - October 9, 2003 Regular Commission Meeting

4. GENERAL COMMUNICATIONS

5. REPORT OF SECRETARY

6. COMMITTEE REPORTS

   Diversity Committee – Report of October 15, 2003 Meeting
   Finance Committee – Nothing to Report
   Personnel Committee – Nothing to Report

7. REPORT OF AGENCY COUNSEL

8. TENANT REPRESENTATIVE REPORT:

City Wide Council - Senior/Disabled
Public Housing Tenants Association (PHTA)

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

10. UNFINISHED BUSINESS

(A) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH FINE LINE CONSTRUCTION FOR THE REPAIR OF EXTERIOR DECKS & STAIRS AT CAL 1-18(7), VELASCO AVENUE, IN AN AMOUNT NOT TO EXCEED $300,966.00

(B) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SONOMARIN INC. FOR DOMESTIC HOT WATER HEATERS, STORAGE TANKS, ASSOCIATED EQUIPMENT, AND PIPE REPLACEMENT WORK AT CAL 1-1, HOLLY COURTS, IN AN AMOUNT NOT TO EXCEED $373,818.00

11. NEW BUSINESS

(A) RESOLUTION APPROVING THE WRITE-OFF OF VACATED TENANT ACCOUNTS RECEIVABLE IN THE AMOUNT OF 468,822.41 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003

(B) RESOLUTION REQUESTING THE COMMISSION TO RATIFY THE PAYMENT OF AN ADDITIONAL $41,621.00 TO HOUSING INSURANCE SERVICES, INC. FOR POLICY PERIOD 2002-2003

(C) RESOLUTION AUTHORIZING THE EXECUTION OF AN INSURANCE POLICY WITH AND PAYMENT TO HOUSING ENTERPRISE RISK SERVICES, INC. TO PROVIDE PROPERTY INSURANCE FOR BERNAL DWELLINGS IN AN AMOUNT NOT TO EXCEED $50,000.00

(D) RESOLUTION AUTHORIZING THE EXECUTION OF A PURCHASE ORDER TO PAY FOR GENERAL LIABILITY INSURANCE FOR BERNAL DWELLINGS IN AN AMOUNT NOT TO EXCEED $50,000.00

(E) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEW THE SAN FRANCISCO HOUSING AUTHORITY'S PROPERTY INSURANCE AND EXECUTE A PURCHASE ORDER FOR PAYMENT TO HOUSING INSURANCE SERVICES, INC. IN AN AMOUNT NOT TO EXCEED $788,961.00

(F) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEW THE SAN FRANCISCO HOUSING AUTHORITY'S GENERAL LIABILITY INSURANCE AND EXECUTE A PURCHASE ORDER FOR PAYMENT TO THE HOUSING AUTHORITY RISK RETENTION GROUP IN AN AMOUNT NOT TO EXCEED $1,340,027.00

12. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

13. COMMISSIONER'S COMMENT AND REPORT

14. CLOSED SESSION

A Closed session is scheduled with the Executive Director and Agency Counsel under Government Code Section 54956.9 (b)(1) to discuss pending litigation under Government Code Section 54956.9(a) (Evans vs. SFHA and USA vs. SFHA; case name unspecified to avoid jeopardizing existing settlement negotiations).

15. RECONVENING OF COMMISSION MEETING

16. ADJOURNMENT

GREGG FORTNER, Secretary/Executive Director

U-A

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: October 9, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Julie Lee, President*
*George R. Brown, Vice President*
*Sululagi Palega, Sr., Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff, Commissioner*

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH FINE LINE CONSTRUCTION FOR THE REPAIR OF EXTERIOR DECKS & STAIRS AT CAL 1-18(7), VELASCO AVENUE, IN AN AMOUNT NOT TO EXCEED $300,966**

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## OVERVIEW

This Resolution will authorize the Executive Director to enter into a contract with Fine Line Construction for the Repair of Exterior Decks & Stairs at CAL 1-18(7), Velasco Avenue, a Senior Development.

Velasco Avenue is an 18 unit, two story building, built in 1962. The exterior concrete deck has cracks and spalls along the edge, and the supporting structural steel beams and fascia boards have deteriorated and in need of immediate repair. The three exterior steel stairs have corroded beyond repair and in need of immediate replacement. The supporting structural steel stringers of these stairs have extensive to severe damage and pose an immediate life safety threat.

## PROCUREMENT

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Housing Development & Modernization Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and Construction Documents (Drawings and technical specifications) furnished by the Authority's Architectural and Engineering Services Consultant, the KPA Group. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

The Authority advertised for bidders and outreached to potential bidders as follows:

**Past Bidders List, Contractors Blue Book & Yellow Pages**: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to one hundred thirty eight (138) individual contractors from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

**HRC**: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to eighty-seven (87) contractors listed in the City of San Francisco Human Rights Commission Local/Minority/Woman Business Enterprise Directory.

**Labor Unions:** The Authority mailed its Invitation for Bids Documents, Plans & Specifications to Stan Warren at the San Francisco Buildings Trade Council.

**Newspapers**: The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:

- Daily Pacific Builder, (trade publication)
- San Francisco Bay View, (African American community)
- Sing Tao Daily, (Asian American Community)

**Additional Newspapers**: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

**Public Agency Websites**: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

**Builders Exchanges**: The Authority sent its Invitation for Bid Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- Dodge Scan/Daily Pacific Builder,
- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Building Exchange of Stockton,
- Construction Data Plan Room,
- Solano-Napa Builders Exchange,
- Construction Market Data
- Sierra Contractors Exchange

Seventeen (17) potential bidders (6 of which are MBE/WBE) requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on August 6, 2003. In attendance were twelve contractors along with the Consultant, and Authority staff members.

**BIDDER SELECTION PROCESS**

The closing date for the solicitation was August 21, 2003 and the Authority received bids from four (4) contractors, all of which were responsible and responsive. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval, for submission to TARC and for approval to prepare this Resolution. The contractors' bids are as follows:

**BID PROPOSALS:**

| Bidder | Bid Proposal | 25% Resident Hiring | Contractor MBE/WBE | Sub Contractors | MBE/WBE Sub Contractor % Of Total Job | Total MBE/ WBE |
|---|---|---|---|---|---|---|
| Fine Line Construction | $300,966 | Yes | Yes 20% | Five | 28% | 48% |
| Huang Associates | $357,000 | Yes | No | Four | 33.3% | 33.3% |
| Kin Wo Construction | $456,800 | Yes | Yes 63.74% | Two | 9.74% | 73.48% |
| Best Roofing | $461,500 | Yes | No | Three | 30.8% | 30.8% |

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive and responsible bidder. Based on the above, the lowest, responsive and responsible bidder is Fine

Line Construction. Upon request Fine Line Construction reviewed their bid and informed Procurement that they stood by their bid.

According to the reference check on past projects performed by Fine Line Construction, the firm is a responsible contractor with a good record. They have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that Fine Line Construction is not debarred from Federal Procurement and Non-Procurement work.

**OBJECTIVES**

The objective of the Resolution is to authorize the Executive Director to enter into a contract for the Repair of Exterior Deck & Stairs at CAL 1-18(7), Velasco Avenue for the safety and welfare of the residents, and for the proper maintenance of the project. The scope of work can be summarized as follows:

1. Survey of existing conditions.
2. Prepare schedule and conduct tenant notification (48 hours).
3. Chip out concrete and repair of existing corroded steel edge of exterior second floor corridor deck.
4. Install new waterproofing membrane on repaired concrete deck.
5. Replace existing corroded exterior stairs with new prefabricated steel stairs.
6. Paint exterior of building in its entirety.

**PRESENT SITUATION**

Velasco Avenue is an 18 unit, two story building, built in 1962. The exterior concrete deck has cracks and spalls along the edge, and the supporting structural steel beams and fascia boards have deteriorated and are in need of immediate repair. The three exterior steel stairs have corroded beyond repair and need immediate replacement. The supporting structural steel stringers of these stairs have extensive to severe damage and pose an immediate life safety threat.

**ANTICIPATED OUTCOMES**

The repair of the exterior concrete deck and stair will eliminate the life safety hazards to the residents and will prolong the life of the building. Painting of the entire building exterior will enhance the appearance of this public housing development, promote resident pride, and preserve the Authority's real property investment

**WHO BENEFITS**

Public housing residents will benefit from safe and improved living conditions. The Authority will benefit from the maintenance that will add life to the building. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, Fine Line Construction is helping to create a pool of qualified residents for future work on similar Authority construction projects.

**BUDGET CONSIDERATION**

Funds are available through the Year 2002 Capital Fund Program.

## RESIDENT HIRING

Fine Line Construction is required is to provide 25% resident hiring on this job. Fine Line Construction estimates that the project will take up to 2,444 man-hours to complete. Resident employees will perform 25% or a minimum of 611 hours of the work, with the intention to exceed the 25% resident hire goal. They are pursuing 5 new positions for resident hiring; two residents are already part of their permanent work force. The Contractor will employ eighteen workers from their current crews, two of which are residents, and five or more new resident hires.

In the most recent project Fine Line performed for the Authority, at CAL 1-18(4), Alice Griffith, they achieved 27% resident hire.

## MBE/WBE PARTICIPATION

Fine Line Construction will sub-contract to one MBE/WBE firm, for a total of 28% MBE/WBE participation.

## RECOMMENDATION

Fine Line Construction has submitted the lowest, responsible and responsive bid. They are committed to providing 25% resident hiring at a minimum. Funding is available in the HUD 2002 Capital Fund Program. Because the deteriorated deck and stairs pose an immediate life safety hazard to the residents, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with Fine Line Construction for the Repair of Exterior Deck and Stairs at CAL 1-18(7), Velasco Avenue in an amount not to exceed $300,966.

(Prepared by: Basil Nicolaou, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. 5128
ADOPTED 10/23/03

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH FINE LINE CONSTRUCTION FOR THE REPAIR OF EXTERIOR DECKS AND STAIRS AT CAL 1-18(7), VELASCO AVENUE, IN AN AMOUNT NOT TO EXCEED $300,966**

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**WHEREAS,** The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-IFB-043 for the Repair of Exterior Decks & Stairs at CAL 1-18(7), Velasco Avenue, and

**WHEREAS**, Fine Line Construction has submitted the lowest responsive and responsible bid of $300,966.00 for the Repair of Exterior Decks & Stairs at CAL 1-18(7), Velasco Avenue; and

**WHEREAS**, these services are necessary to protect the health, safety and welfare of residents; and

**WHEREAS**, funding is available through the HUD 2002 Capital Fund Program; and

**WHEREAS**, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

**WHEREAS**, all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

**WHERAS**, Fine Line Construction will meet the Resident Hiring requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The Executive Director is authorized to execute a contract with Fine Line Construction, for the Repair of Exterior Decks & Stairs at CAL 1-18(7), Velasco Avenue for an amount Not-To-Exceed $300,966.

2. This Resolution shall take effect immediately.

**APPROVED AT TO FORM AND LEGALITY: REVIEWED BY:**

Donna Mart
DONNA MARTIN, General Counsel

Date: 9-19-03

GREGG FORTNER, Executive Director

Date: 9/19/2003

U-B

SAN FRANCISCO HOUSING AUTHORITY
440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: October 9, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Julie Lee, President*
*George R. Brown, Vice President*
*Sululagi Palega, Sr., Commissioner*
*Betty J. Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*George Woodruff, Commissioner*

FROM: Gregg Fortner, Secretary/Executive Director

SUBJECT: **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SONOMARIN INC. FOR DOMESTIC HOT WATER HEATERS, STORAGE TANKS, ASSOCIATED EQUIPMENT, AND PIPES REPLACEMENT WORK AT CAL 1-1, HOLLY COURTS, IN AN AMOUNT NOT TO EXCEED $373,818**

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**OVERVIEW**

This Resolution will authorize the Executive Director to enter into a contract with Sonomarin Inc. for the Domestic Hot Water Heaters, Storage Tanks, Associated Equipment, and Pipes Replacement work at CAL 1-1, Holly Courts, a family development.

Holly Courts was built in 1940 and consists of ten two-story buildings, and has 118 family dwelling units.

The Domestic Hot Water System is sixty-three years old, beyond repair, and in immediate need of replacement.

The Authority issued Solicitation No. 03-620-IFB-049 on August 11, 2003 following review and approval of the solicitation by the Finance and Procurement Departments.

**PROCUREMENT**

The procurement process for the action covered by this Resolution meets the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement

Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and the State of California and local laws.

The Housing Development & Modernization Department (HD&M) developed the Invitation for Bid Documents, Plans & Specifications based on master procurement documents furnished by the Authority's Procurement & Contracts Department and Construction Documents (Drawings and technical specifications) furnished by the Authority's Mechanical Engineering Services Consultant, Mechanical solutions. The documents were reviewed and approved by the Procurement & Contracts Department (P&C) prior to the start of the bid process.

The Authority advertised for bidders and outreached to potential bidders as follows:

**Past Bidders List, Contractors Blue Book & Yellow Pages**: The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to fifty-five (55) individual contractors from the Authority's Past Bidders List, the Contractors Blue Book and Telephone Directory Yellow Pages.

**HRC:** The Authority e-mailed, faxed or mailed its Invitation for Bid advertisement to twenty-four (24) MBE/WBE contractors listed by the San Francisco Human Rights Commission.

**Labor Unions:** The Authority mailed its Invitation for Bids Documents, Plans & Specifications to the San Francisco Buildings Trade Council.

**Newspapers:** The Authority publicly advertised its Invitation for Bid advertisement in the following newspapers:
Daily Pacific Builder, (trade publication)
San Francisco Bay View, (African American community)
Sing Tao Daily, (Asian American Community)

**Additional Newspapers**: The Authority e-mailed its Invitation for Bid advertisement to the San Francisco Board of Supervisors office who placed the advertisement in the following community newspapers:

- El Latino (Hispanic American community),
- El Reportero (Hispanic American community),
- Asian Week (Chinese American community),
- Chinese Times (Chinese American community),
- San Francisco Bay Times (Lesbian/Gay/Bi-sexual/Transgender community),
- San Francisco Spectrum (Lesbian/Gay/Bi-sexual/Transgender community).

**Public Agency Websites**: The Authority e-mailed its Invitation for Bid advertisement to the following agencies who placed the advertisement in their website bulletin boards:

- City and County of San Francisco (City Purchasing Department),
- California State Contracts Register (Office of Small Business Certification and Resources),
- Small Business Administration's PRO-Net (Office of Government Contracting & Minority Enterprise Development).
- U.S. Department of Commerce's BIDNET (Minority Business Development Agency)

**Builders Exchanges**: The Authority sent its Invitation for Bid Documents, Plans & Specifications to the following Builders Exchanges, where the documents are available to Contractors for review and bid preparation:

- Dodge Scan/Daily Pacific Builder,
- San Francisco Builders Exchange,
- Peninsula Builders Exchange,
- Builders Exchange of Alameda County,
- Santa Clara Builders Exchange,
- Contra Costa Builders Exchange,
- BV2HP Builders Exchange,
- MECA Builders Exchange (member base composed of small DBE, M/WBE firms),
- Marin Builders Exchange,
- Building Exchange of Stockton,
- Construction Data Plan Room,
- Solano-Napa Builders Exchange,
- Construction Market Data
- Sierra Contractors Exchange

Thirteen (13) potential bidders requested the Invitation for Bid Documents, Plans & Specifications that were issued by HD&M. The on-site bid walk was conducted by HD&M on August 27, 2003. In attendance were eight (8) contractors along with the Consultant, and Authority staff members.

**BIDDER SELECTION PROCESS**

The closing date for the solicitation was September 11, 2003 and the Authority received bids from three (3) responsive and responsible contractors. The bid documents were publicly opened and read aloud. The submittal documents were reviewed by HD&M and forwarded to P&C for review and approval, for submission to TARC and for approval to prepare this Resolution. The contractors' bids are as follows:

**BID PROPOSALS:**

| Bidder | Bid Proposal | 25% Resident Hiring | Contractor MBE/ WBE | Sub Contractors | MBE/WBE Sub Contractor % Of Total Job | Total MBE/WBE |
|---|---|---|---|---|---|---|
| Sonomarin Inc. | $373,818 | Yes | No | Three | 21% | 21% |
| CDX Builders | $538,000 | Yes | No | Five | 68.8% | 68.8% |
| Trico Construction | $608,565 | Yes | No | Six | 20.13% | 20.13% |

Per HUD-5369 Instructions to Bidders, the contract award is based on the lowest, responsive and

responsible bidder. Based on the above, the lowest, responsive and responsible bidder is Sonomarin Inc. They are pursuing one position for resident hiring.

Sonomarin's bid is 43% lower than the cost estimate. Upon request, Sonomarin Inc. reviewed their bid and informed Procurement that they stood by their bid. They are a small firm of two partners, and they do most of the work themselves. Their subcontractor work is only 21% of the total. Their submitted job cost breakdown was analyzed by the Authority's consultant and was found to be realistic and acceptable.

According to the reference checks on past projects performed by Sonomarin Inc., the firm is a responsible contractor with a good record. They have performed similar contracts for other public agencies and have a good history of minimizing contractor initiated change orders. A debarment check was made and shows that Sonomarin Inc. is not debarred from Federal Procurement and Non-Procurement work.

**OBJECTIVES**

The objective of the Resolution is to authorize the Executive Director to enter into a contract for the replacement and demolition of the existing domestic hot water heaters, storage tanks, associated equipment, and piping. The project consists generally of the replacement and demolition of the existing domestic hot water heaters, hot water storage tanks, pumps, accessories, control, vent, and pipes located in the heater rooms.
Work under this contract will generally include, but not be limited to, the following:

a. Site survey and verification of existing condition.

b. Replacement and demolition of the existing heating and domestic hot water heaters, pumps, accessories, control, and pipes.

c. Furnishing and installing all new equipment and accessories at ten locations.

d. Demolition and removal of the existing heating and domestic hot water boilers and pipes all in accordance with "SFHA Hazardous Materials Procedure", and

e. Provide domestic hot water to the residential units at all times during construction.

**PRESENT SITUATION**

Holly Courts is a San Francisco Housing Authority family development comprised of 10 two level residential buildings built in 1940. The 63-year-old domestic hot water heaters, storage tanks, associated equipment and piping have deteriorated beyond repair and need to be replaced immediately.

**ANTICIPATED OUTCOMES**

Replacement of the domestic hot water heaters, storage tanks, associated equipment, and piping will provide energy efficient, uninterrupted hot water to the residents. The Authority's maintenance department will be relieved of the constant calls for repairs and restoration of service

to the residents. Sonomarin Inc. will provide a two-year guarantee for materials and workmanship, in compliance with Authority standards.

**WHO BENEFITS**

Public housing residents will benefit from improved living conditions with no interruptions in hot water service. The energy efficiency of the new water heater system and the absence of maintenance calls will result in substantial operating savings to the Authority. The capital improvements will also benefit the Authority's real property assets and add to the longevity of the structures. The project will also provide employment for public housing residents under the resident hiring requirements. By hiring residents, Sonomarin Inc. is helping to create a pool of qualified residents for future work on similar Authority construction projects.

**BUDGET CONSIDERATION**

The Heating and Hot Water Boilers, and Piping Replacement is funded in the Year 2002 Capital Fund Program budgets. The low bid is 43% less than the independent cost estimate and budgeted amount.

**RESIDENT HIRING**

Sonomarin Inc. is committed to exceeding the 25 percent resident hiring goal on this job. The contractor estimates that it will take about 1600 hours to complete the project, of which a minimum 400 hours will be resident hire employment. One resident will be hired, and for the five-month duration of the project there will be 880 hours of resident hire, exceeding the 25% requirement by a wide margin.

**MBE/WBE PARTICIPATION**

Sonomarin is a small firm of two partners, and they do most of the work themselves. Sonomarin has achieved 21% MBE/WBE participation with its listed subcontractors and suppliers

**RECOMMENDATION**

Sonomarin Inc. has submitted the lowest, responsive and responsible bid. They are committed to providing 25% resident hiring at a minimum. Funding is available in the 2002 Capital Fund Programs. Because boilers and piping are in need of immediate replacement, the staff urges adoption of this Resolution authorizing the Executive Director to enter into a contract with Sonomarin Inc. for the Domestic Hot Water Heaters, and Pipes Replacement at CAL 1-1, Holly Courts in an amount not to exceed $373,818.

(Prepared by: Basil Nicolaou, Robert Dahlstrom and Barbara Smith)

RESOLUTION NO. _____
ADOPTED _____

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SONOMARIN INC. FOR DOMESTIC HOT WATER HEATERS, STORAGE TANKS, ASSOCIATED EQUIPMENT, AND PIPES REPLACEMENT WORK AT CAL 1-1, HOLLY COURTS, IN AN AMOUNT NOT TO EXCEED $373,818**

---

**WHEREAS,** The San Francisco Housing Authority publicly advertised Solicitation No. 03-620-IFB-049 for Domestic Hot Water Heaters, Storage Tanks, and Pipes Replacement at CAL 1-1, Holly Courts, and

**WHEREAS**, Sonomarin Inc. submitted the lowest responsive and responsible bid of $373,818 to provide for the Domestic Hot Water Heaters, Storage Tanks, Associated Equipment, and Pipes Replacement at CAL 1-1, Holly Courts; and

**WHEREAS**, these services are necessary to protect the health and welfare of residents; and

**WHEREAS**, funding is available through the HUD 2002 Capital Fund Program; and

**WHEREAS**, the procurement process for those actions covered by this Resolution meet the procurement standards of 24 CFR 85.36 "Procurement", HUD Handbook 7460.8 REV 1, "Procurement Handbook for Public Housing Agencies and Indian Housing Authorities", the San Francisco Housing Authority Procurement Policy Manual and State of California and local laws; and

**WHEREAS**, all additional relevant documents submitted by the low bidder have been reviewed and found to be in order; and

**WHERAS**, Sonomarin Inc. will meet the Resident Hiring requirements.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The Executive Director is authorized to execute a contract with Sonomarin Inc., to provide for the Domestic Hot Water Heaters, Storage Tanks, Associated Equipment, and Pipes Replacement at CAL 1-1, Holly Courts in an amount Not-To-Exceed $373,818.

2. This Resolution shall take effect immediately.

**APPROVED AT TO FORM AND LEGALITY: REVIEWED BY:**

Donna Martin
DONNA MARTIN, General Counsel

Date: 10-03-02

GREGG FORTNER, Executive Director

Date: 10/3/2003

A

# SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-1200

**Date:** October 23, 2003

**TO:** **SAN FRANCISCO HOUSING AUTHORITY COMMISSION**

Julie Lee, President
George R. Brown, Vice President
Sululagi Palega, Sr., Commissioner
Betty J. Smith, Commissioner
Andrew Clark, Commissioner
Neola Gans, Commissioner
Rev. George Woodruff, Commissioner

**FROM:** Gregg Fortner, Executive Director

**SUBJECT:** RESOLUTION APPROVING THE WRITE-OFF OF VACATED TENANT ACCOUNTS RECEIVABLES (TARs) IN THE AMOUNT OF $468,822.41 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003

## OVERVIEW

The San Francisco Housing Authority Board of Commissioners is authorized to write-off vacated tenant accounts receivables (TARs) for each fiscal year. For the fiscal year ending September 30, 2003, the amount of TARs was $468,822.41. This amount represents 264 families that have either been evicted, found other housing, or abandoned their units.

## TIMEFRAME

Pursuant to HUD Handbook 7511.1, Chapter 11, Section 1, the SFHA writes off vacated TARs where there has been no collection activity. These vacated TARs are balances owed to the SFHA for the non-payment of rent and/or other charges by households who are no longer living in a SFHA unit. Writing off such accounts does not preclude the SFHA from pursuing collection actions against the individuals. Currently, SFHA is working to establish a relationship with the City Treasurer's office and other interested vendors to assist it in collecting the bad debts.

Moreover, individuals who vacate without paying off their delinquent accounts are not qualified to receive public housing assistance in the future as long as balances are outstanding.

## OBJECTIVE

The objective of writing off $468,822.41 in vacated TARs is to comply with the HUD guidelines; and to follow generally accepted accounting principles (GAAP) for fiscal year-end recording and financial statement purposes.

## PRESENT SITUATION

The Commission must authorize the write-off of TARs balances before any accounting entry is recorded for the fiscal year ended September 30, 2003. With the Commission's authorization, the accounts receivable write-off and other unrelated closing accounting entries will proceed and the November 30, 2003 submittal deadline to HUD for the unaudited financial statement can be met.

## ANTICIPATED OUTCOME

The anticipated outcome is that the SFHA will more accurately reflect the outstanding TARs balance for the new fiscal year, beginning October 1, 2003. The TARs is a summary of all existing accounts receivable for residents owing rent or charges to the SFHA. Accounting practices require entities to carry-over from fiscal year to the next only those receivables that the entity is likely to collect. This TARs write-off reflects those accounts for persons who have vacated SFHA properties and that are not likely to be collected. As a result, the write-off will improve the Authority's Public Housing Assessment System (PHAS) score on Financial Condition-Tenants Accounts Receivables by reducing the number of days the receivables are outstanding from 26 to 14 days. The Authority will score 4.33 points out of a maximum of 4.5 points. Without the write-off, the Authority would score 3.57 points.

## WHO BENEFITS

This resolution benefits the Authority by ensuring compliance with the HUD and GAAP guidelines and by accurately reflecting the Tenant Receivables Outstanding for the PHAS score report.

## BUDGET CONSIDERATION

Collection Losses were budgeted at $180,000 for fiscal year 2003. The total amount of $468,822.41, a net increase of $288,822, will be offset by savings in other budget line items within the Low-Income Operating Program budget.

## IMPLEMENTATION

The Commission must approve any write-off from TARs prior to entering any accounting adjustment.

## RECOMMENDATION

It is recommended that the Board of Commissioners approve the attached resolution authorizing the write-off of vacated TARs in the amount $468,822.41 for the fiscal year ended September 30, 2003.

RESOLUTION NO.: 5122
DATE ADOPTED: 10/23/03

RESOLUTION APPROVING THE WRITE-OFF OF VACATED TENANT ACCOUNTS RECEIVABLES (TARs) IN THE AMOUNT OF $468,822.41 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003.

WHEREAS, HUD Handbook 7511.1, Chapter 11, Section 1, Section 1 details procedures on the write-off of vacated TARs and San Francisco Housing Authority is in compliance with those procedures and is following generally accepted accounting principles for year-end recording and financial reporting purposes; and

WHEREAS, the HUD Handbook requires that any write-off of TARs must be approved by the Board of Commissioners or by a designated official to whom such authority has been delegated by the Board of Commissioners; and

WHEREAS, the Board of Commissioners is authorized by Resolution No. 2784, dated February 27, 1986, to write-off vacated tenant accounts.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:**

1. The vacated TARs approved for write-off for the fiscal year ended September 30, 2003 shall be $$468,822.41.

2. This resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin

Donna Martin, General Counsel

10.17.03

Date

REVIEWED BY:

Gregg Fortner, Executive Director

10/17/03

Date

B

# SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

October 23, 2003

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Julie Lee, President*
*George R. Brown, Vice-President*
*Sululagi Palega, Sr., Commissioner*
*Betty Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*Rev. George Woodruff, Commissioner*

FROM: GREGG FORTNER, SECRETARY/EXECUTIVE DIRECTOR

SUBJECT: RESOLUTION REQUESTING THE COMMISSION TO RATIFY THE PAYMENT OF AN ADDITIONAL $41,621.00 TO HOUSING INSURANCE SERVICES, INC. FOR POLICY PERIOD 2002-2003

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OVERVIEW

Resolution 5062 (Exhibit C-1), dated October 24, 2002, authorized the Executive Director to renew the San Francisco Housing Authority's ("the Authority") property insurance and execute a purchase order for payment to the housing authority property insurance company in an amount not to exceed $676,800.00. However, the Authority failed to comply with all of the requirements of this policy option, and as a result the Authority's premium was calculated to be $718,421.00.

*OBJECTIVE*

The objective is pay the last installment of the property/casualty insurance for 2002-2003 policy year in order to avoid cancellation of 2003-2004 policy.

*PRESENT SITUATION*

When Resolution 5062 was presented, it detailed two options from Housing Authority Property Insurance, Inc., ("HAPI") and one option presented by Lexington Insurance Company. The Authority chose to accept option two from HAPI, which specified that the Authority must increase the value of its properties to $564,000,000.00. The premium was $676,800.00.

However, the Authority failed to increase the values of its properties to the appropriate amount. By default, the it accepted option one, which had a specified premium of $718,421.00.

The Authority issued purchase order number 026824 in the amount of $676,800.00. Because the premium is $718,421.00, the purchase order must be increased by $41,621.00 in order to remit the final installment.

*WHO BENEFITS*

The Authority, the residents, and the greater community benefit because it will allow the Authority to maintain its current insurance policy without interruption. Furthermore, as it is a federal requirement for the Authority to insure its interests against certain risks, this resolution will permit the Authority to comply with all regulations and requirements.

*BUDGET*

Funding is available through the Authority's 2003 Low Income Operating Budget and Section 8 Budget.

*RECOMMENDATION*

It is recommended that the Board pass this resolution.

RESOLUTION NO.: 5123
DATE ADOPTED: 10/23/03

RESOLUTION REQUESTING THE COMMISSION TO RATIFY THE PAYMENT OF AN ADDITIONAL $41,621.00 TO HOUSING INSURANCE SERVICES, INC. FOR POLICY PERIOD 2002-2003

WHEREAS, Section 305, Part Two of the Annual Contributions Contract dated August 27, 1964, as amended between the Housing Authority of the City and County of San Francisco ("the Authority") and the U.S. Department of Urban Development ("HUD") requires the authority to insure against risks associated with its particular type of operation; and

WHEREAS, by Resolution No. 4750, dated 12/10/98, the Authority placed coverage with the Housing Authority Property Insurance Company ("HAPI"); and

WHEREAS, HAPI submitted a quote for renewal for the Authority's property insurance for the 2002-2003 policy period; and

WHEREAS, Option 2 presented by HAPI provides a value of the Authority's properties at $564,000,000.00, at a premium price of $676,800.00. There would be a 100% coinsurance replacement cost; and

WHEREAS, Resolution No. 5062 accepted Option 2 presented by HAPI; and

WHEREAS, the Authority did not increase the values of its properties in accordance with Option 2; and

WHEREAS, Option 1 presented by HAPI provides a value of the Authority's properties at $495,462,429.00, at a premium price of $718,421.00. There would be a 80% coinsurance replacement cost; and

WHEREAS, by default the Authority accepted Option 1; and

WHEREAS, insurance on all property owned and operated by the Authority is a necessary and required expense, and in accordance with the procurement regulations under 24 CFR part 85.369, the Authority accepted the property insurance offered by HAPI; and

WHEREAS, funding for the insurance services described herein is available as part of the authority's Low-Income Operating Budget and Section 8 Budget;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is hereby authorized to ratify the payment of an additional $41,621.00 to Housing Insurance Services, inc. For policy period 2002-2003.

2. This Resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin

DONNA MARTIN, General Counsel

10-17-03

DATE

REVIEWED BY:

GREGG FORTNER, Executive Director

10/17/03

DATE

EXHIBIT B-1

# SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

October 14, 2002

**TO:** SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

***Sululagi Palega, Sr., President***
***Julie Lee, Vice-President***
***Rev. Edgar E. Boyd, Commissioner***
***George R. Brown, Commissioner***
***Betty Smith, Commissioner***
***Andrew J. Clark, Commissioner***
***Neola Gans, Commissioner***

**FROM:** Gregg Fortner, SECRETARY/EXECUTIVE DIRECTOR

**SUBJECT:** RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEW THE SAN FRANCISCO HOUSING AUTHORITY'S PROPERTY INSURANCE AND EXECUTE A PURCHASE ORDER FOR PAYMENT TO THE HOUSING AUTHORITY PROPERTY INSURANCE COMPANY IN AN AMOUNT NOT TO EXCEED $676,800.00

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**OVERVIEW:**

Pursuant to the Public and Indian Housing Property/Casualty Insurance Requirements Guidebook 7401.5 ("the Guidebook"), date May 1996, the San Francisco Housing Authority ("the Authority") is required to maintain adequate property coverage based upon its risks. In accordance with 7401.5 of the Guidebook, the Authority is allowed to bind/renew coverage with a HUD approved captive insurance group.

The San Francisco Housing Authority's Property Insurance coverage is up for renewal for the 2002-2003 policy period. This resolution seeks approval for the Executive Director to renew property insurance with the Housing Authority Property Insurance Company of Cheshire, Connecticut, in an amount not to exceed $676,800.00.

This year, HAPI provided two options for the SFHA to chose from. Neither option provides for blanket coverage for replacement cost as provided in the expiring coverage. Each option listed will have a $100,000,000.00 loss limit with a $25,000.00 deductible.

**Option 1**: provides an increase in the value of SFHA's properties to $495,462,429.00. The premium price would be $718,421.00. There would be an 80% coinsurance replacement cost, which means is that at the time of the loss, the building or unit must be insured for at least 80% of the replacement cost value. If the building is undervalued, then the insurance company will only pay whatever percentage that it is undervalued at.

**Option 2**: provides for an increase in value of SFHA's properties to $564,000,000.00. The premium price would be $676,800.00. There would be a 100% coinsurance replacement cost, which means that at the time of the loss, the building or unit must be insured at 100% of the replacement cost value. If the building is undervalued, then the insurance will only pay whatever percentage it is undervalued at.

In an effort to reduce insurance cost and obtain quotes from insurance companies in the private market, notices of interest were sent to four (4) major brokerage firms. The firms were Willis Insurance Services, Brown & Brown Insurance Services, Aon Risk Services and Pennbrook Insurance Services. The Authority received responses from only two of the companies, Willis Insurance and Aon Risk Services.

This solicitation yielded the following coverage package, which was provided by Willis Insurance Services.

**Option 3**: provides coverage through the Lexington Insurance Company. All buildings, rents and equipment will be insured at a total value of $462,821,677.00. The real property will be insured at $5 million per occurrence with a $50,000.00 deductible an annual premium of $550,000.00 for replacement costs. Excess up to $30 million will be split between two carriers, Chubb and Royal Surplus Lines for an additional premium of $130,000.00. The total premium for this package coverage is $680,000.00.

Aon was unable to obtain any quotes on behalf of the SFHA.

The dramatic increase in premium cost has been dictated by the unusually high number of natural disasters over the past few years and the tragedy of September 11, 2001. It is difficult to place coverage at this time during what is considered to be an extremely hard market.

**OBJECTIVE:**

The objective is to obtain property/casualty insurance coverage for the 2002-2003 policy period that is most advantageous and affordable for the Authority.

**PRESENT SITUATION:**

Presently, HAPI provides coverage for all of the Authority's buildings, which are valued at $424,000,000.00. The annual premium for the expiring coverage was $393,654.00, with a $25,000.00 deductible per loss.

**ANTICIPATED OUTCOME:**

The anticipated outcome is to renew coverage that is most advantageous for the Authority for the 2002-2003 policy period.

**WHO BENEFITS:**

The Authority benefits from renewing coverage with HAPI because of the additional services that the company offers. Unlike traditional insurance companies, HAPI allows the Authority the flexibility of paying its premium in quarterly installments instead of one lump sum.

Also, HAPI has a professional staff available to assist the Authority with property issues unique to the housing industry, in addition to provide training services for housing staff.

**RECOMMENDATION:**

It is recommended that the Authority renew coverage with the Housing Authority Property Insurance Company.

(Prepared by Victoria Adams, through Carl L. Williams, Office of General Counsel)

RESOLUTION NO.: 5062
DATE ADOPTED: 10/24/02

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEW THE SAN FRANCISCO HOUSING AUTHORITY'S PROPERTY INSURANCE AND EXECUTE A PURCHASE ORDER FOR PAYMENT TO THE HOUSING AUTHORITY PROPERTY INSURANCE COMPANY IN AN AMOUNT NOT TO EXCEED $676,800.00

WHEREAS, Section 305, Part Two of the Annual Contributions Contract dated August 27, 1964, as amended, between the Housing Authority of the City and County of San Francisco ("the Authority") and the U.S. Department of Urban Development ("HUD") requires the Authority to insure its interest against risks associated with its particular type of operation; and

WHEREAS, by Resolution No. 4750, dated 12/10/98, the Authority placed coverage with the Housing Authority Property Insurance Company ("HAPI"); and

WHEREAS, HAPI submitted a quote for renewal for the Authority's property insurance for the 2002-2003 policy period; and

WHEREAS, Option 2 presented by HAPI provides for an increase in value of SFHA's properties to $564,000,000.00, at a premium price of $676,800.00. There would be a 100% coinsurance replacement cost; and

WHEREAS, Option 2 provides for a loss limit of $100,000,000.00 with a deductible of $25,000.00 per occurrence; and

WHEREAS, insurance on all property owned and operated by the Authority is a necessary and required expense, and in accordance with the procurement regulations under 24 CFR, part 85.369, the Authority should accept the property insurance offered by HAPI; and

WHEREAS, the Authority's current coverage with HAPI was due to expire on October 1, 2002, however, in order to avoid a lapse in coverage, a one month extension was obtained; and

WHEREAS, funding for the insurance services described herein is available as part of the Authority's Low-Income Operating Budges;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is hereby authorized to renew coverage with the Housing Authority Property Insurance and to execute a purchase order to pay the same in an amount not to exceed $$676,800.00.
2. This resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Carl L. Williams

CARL L. WILLIAMS
General Counsel

12-19-02
DATE

REVIEWED BY:

GREGG FORTNER
Executive Director

10/18/02
DATE

C

# SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

October 23, 2003

**TO:** SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

***Julie Lee, President***
***George R. Brown, Vice-President***
***Sululagi Palega, Sr., Commissioner***
***Betty Smith, Commissioner***
***Andrew J. Clark, Commissioner***
***Neola Gans, Commissioner***
***Rev. George Woodruff, Commissioner***

**FROM:** Gregg Fortner, SECRETARY/EXECUTIVE DIRECTOR

**SUBJECT:** RESOLUTION AUTHORIZING THE EXECUTION OF AN INSURANCE POLICY WITH AND PAYMENT TO HOUSING ENTERPRISE RISK SERVICES, INC. TO PROVIDE PROPERTY INSURANCE FOR BERNAL DWELLINGS IN AN AMOUNT NOT TO EXCEED $50,000.00

---

**OVERVIEW:**

Bernal Housing Associates, a nonprofit California Limited Partnership, ("the Partnership"), is required to maintain insurance in an amount at least equal to the current replacement value of the improvements. The Housing Authority Insurance Group provided notice on June 25, 2003, that the property insurance previously maintained through the Housing Authority Property Insurance Group would expire on October 1, 2003, and that it would no longer accept non-profit developments in the HARRG and HAPI public housing insurance programs.

The Housing Authority is receiving $11,400,000 in tax credit equity for Bernal from the investors, who require assurance that Bernal Dwellings is adequately protected from liability and property damage. The Partnership Agreement requires that all insurance policies name Bernal Housing Associates as the primary insured and that Boston Financial Affordable Housing Fund II, LP, the investor partner, be identified as an additional insured and that the investor partner receive certified copies of all insurance contracts required by the agreement.

**OBJECTIVE:**

The objective is to obtain general liability insurance coverage for the 2003-2004 policy period that is most advantageous and affordable for the Authority and would meet the needs of its investor partners.

**PRESENT SITUATION:**

Currently the Bernal Dwellings properties are covered under the Authority's property/casualty policy with Housing Authority Property Insurance ("HAPI"). However, since HAPI informed the Authority that the policies with non-profit developments would not be renewed, notices of solicitation were sent out in order to find the most affordable and protective coverage for the Authority.

The solicitation process began in July 2003. In an effort to obtain quotes that considered the Authority's best interest, solicitation information was sent to nineteen (19) brokerage firms. Of the nineteen firms that information packages were sent to, one, Housing Enterprise Risk Services expressed interest in soliciting quotes for property/casualty coverage for Bernal Housing Associates.

Housing Enterprise Risk Services Inc. ("HERS") is a subsidiary of HAPI that provides insurance services to low and mixed income housing agencies. HERS submitted the following quote through American Alternative Insurance Corporation ("AAIC"):

| | |
|---|---|
| Coverage: | Property/Casualty |
| Deductible: | $5000.00 |
| Value: | $31,089,320.00 |
| Co-Insurance: | 100% |

These coverage limits satisfy both the needs of the Authority and the investor partners.

**WHO BENEFITS:**

The Authority benefits because the scope of the policy covers the agency's needs. Additionally, HERS offers professional staff trained to handle property/casualty issues unique to the housing industry.

**BUDGET:**

Funding is available through the Authority's Low-Income Operating Budget and Section 8 budget.

**RECOMMENDATION:**

RESOLUTION NO.: 5124
DATE ADOPTED: 10/23/03

# RESOLUTION AUTHORIZING THE EXECUTION OF AN INSURANCE POLICY WITH AND PAYMENT TO HOUSING ENTERPRISE RISK SERVICES, INC. TO PROVIDE PROPERTY INSURANCE FOR BERNAL DWELLINGS IN AN AMOUNT NOT TO EXCEED $50,000.00

WHEREAS, Section 305, Part Two of the Annual Contributions Contract dated August 27, 1964, as amended, between the Housing Authority of the City and County of San Francisco ("the Authority") and the U.S. Department of Housing and Urban Development ("HUD") requires the Authority to insure its interest against risks associated with its particular type of operation; and

WHEREAS, by Resolution No. 5062, dated 10/24/02, the Authority placed coverage with Housing Authority Property Insurance, Inc. ("HAPI"); and

WHEREAS, the Authority is a member of Bernal Housing Associates, a nonprofit California Limited partnership, that is required to maintain insurance in an amount at least equal to the current replacement value of the improvement; and

WHEREAS, HAPI submitted a quote for renewal for the Authority's property insurance for the 2003-2004 policy period; and

WHEREAS, Housing Enterprise Risk Services is the only firm to respond with a firm quote; and

WHEREAS, three brokerage firms responded to the portion of the solicitation relating to property/casualty coverage, but they failed to submit any firm quotes by the deadline of October 15, 2003; and

WHEREAS, insurance on all property owned and operated by the Authority is a necessary and required expense, and in accordance with the procurement regulations under 24 CFR, part 85.369, the Authority should accept the property insurance offered by Housing Enterprise Risk Services; and

WHEREAS, the Authority's policy was due to expire on October 1, 2003, but was extended until proper coverage was secured; and

WHEREAS, funding for the insurance services described herein is available as part of the Authority's Low-Income Operating Budget and Section 8 Budget;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. Resolution authorizing the executive director to execute an insurance policy with and payment to Housing Enterprise Risk Services, Inc. To provide property insurance for Bernal Dwellings in an amount not to exceed $50,000.00

2. This resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin
DONNA MARTIN
General Counsel

10.17.03
DATE

REVIEWED BY:

GREGG FORTNER
Executive Director

10/17/03
DATE

# SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

October 23, 2003

**TO**: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Julie Lee, President*
*George R. Brown, Vice-President*
*Sululagi Palega, Sr., Commissioner*
*Betty Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*Rev. George Woodruff, Commissioner*

**FROM**: Gregg Fortner, SECRETARY/EXECUTIVE DIRECTOR

**SUBJECT**: RESOLUTION AUTHORIZING THE EXECUTION OF A PURCHASE ORDER TO PAY FOR GENERAL LIABILITY INSURANCE FOR BERNAL DWELLINGS IN AN AMOUNT NOT TO EXCEED $50,000.00

---

**OVERVIEW:**

Bernal Housing Associates, a nonprofit California Limited Partnership, ("the Partnership"), is required to maintain insurance in an amount at least equal to the current replacement value of the improvements. The Housing Authority Insurance Group provided notice on June 25, 2003, that the property insurance previously maintained through the Housing Authority Property Insurance Group would expire on October 1, 2003, and that it would no longer accept non-profit developments in the HARRG and HAPI public housing insurance programs.

The Housing Authority is receiving $11,400,000 in tax credit equity for Bernal from the investors, who require assurance that Bernal Dwellings is adequately protected from liability and property damage. The Partnership Agreement requires that all insurance policies name Bernal Housing Associates as the primary insured and that Boston Financial Affordable Housing Fund II, LP, the investor partner, as an additional insured and that the investor partner receive certified copies of all insurance contracts required by the agreement.

**OBJECTIVE:**

The objective is to obtain general liability insurance coverage for the 2003-2004 policy period that is most advantageous and affordable for the Authority and would meet the needs of its investor partners.

**PRESENT SITUATION:**

Currently the Bernal Dwellings properties are covered under the Authority's general liability policy with Housing Authority Risk Retention Group ("HARRG"). However, since HARRG informed the Authority that the policies with non-profit developments would not be renewed, notices of solicitation were sent out in order to find the most affordable and protective coverage for the Authority.

The solicitation process began in July 2003. In an effort to obtain quotes that considered the Authority's best interest, solicitation information was sent to nineteen (19) brokerage firms. The Authority received two responses to the solicitation information from Housing Enterprise Risk Services and Emerson-Prew, Inc. Neither of the companies' quotes exceed $50,000.00

**WHO BENEFITS:**

The Authority benefits because the scope of the policy covers the agency's needs. Furthermore, in order to comply with the terms of the Partnership agreement, the Authority must obtain a stand alone policy on behalf of Bernal Housing Associates.

**BUDGET:**

Funding is available through the Authority's fiscal year 2004 Low Income and Section 8 Budgets.

**RECOMMENDATION:**

It is recommended that the execute the purchase order for general liability insurance for Bernal Dewllings.

RESOLUTION NO.: 5125
DATE ADOPTED: 10/23/03

# RESOLUTION AUTHORIZING THE EXECUTION OF A PURCHASE ORDER TO PAY FOR GENERAL LIABILITY INSURANCE FOR BERNAL DWELLINGS IN AN AMOUNT NOT TO EXCEED $50,000.00

WHEREAS, Section 305, Part Two of the Annual Contributions Contract dated August 27, 1964, as amended, between the Housing Authority of the City and County of San Francisco ("the Authority") and the U.S. Department of Housing and Urban Development ("HUD") requires the Authority to insure its interest against risks associated with its particular type of operation; and

WHEREAS, by Resolution No. 5062, dated 10/24/02, the Authority placed coverage with Housing Authority Risk Retention Group("HARRG"); and

WHEREAS, the Authority is a member of Bernal Housing Associates, a nonprofit California Limited partnership, that is required to maintain general liability on behalf of the Bernal Housing Associates as a primary insured and the investor partner as an additional insured; and

WHEREAS, the solicitation process began in July 2003; and

WHEREAS, two companies responded to the solicitation relating to general liability coverage in relation to Bernal Dwellings; and

WHEREAS, neither of the two quotes received exceed $50,000.00; and

WHEREAS, insurance on all property owned and operated by the Authority is a necessary and required expense, and in accordance with the procurement regulations under 24 CFR, part 85.369, the Authority should accept the property insurance offered by Housing Enterprise Risk Services; and

WHEREAS, the Authority's policy was due to expire on October 1, 2003, but was extended until proper coverage was secured; and

WHEREAS, funding for the insurance services described herein is available as part of the Authority's Low-Income Operating Budget and Section 8 Budget;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is hereby authorized to execute a purchase order to pay for general liability insurance for Bernal Dwellings in an amount not to exceed $50,000.00.

2. This resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Mart
DONNA MARTIN
General Counsel

10·17·03
DATE

REVIEWED BY:

GREGG FORTNER
Executive Director

10/17/03
DATE

E

# SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

October 23, 2003

**TO**: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Julie Lee, President*
*George R. Brown, Vice-President*
*Sululagi Palega, Sr., Commissioner*
*Betty Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*Rev. George Woodruff, Commissioner*

**FROM**: Gregg Fortner, SECRETARY/EXECUTIVE DIRECTOR

**SUBJECT**: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEW THE SAN FRANCISCO HOUSING AUTHORITY'S PROPERTY INSURANCE AND EXECUTE A PURCHASE ORDER FOR PAYMENT TO HOUSING INSURANCE SERVICES, INC. IN AN AMOUNT NOT TO EXCEED $788,961.00

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**OVERVIEW:**

The San Francisco Housing Authority's ("the Authority) property/casualty insurance coverage is up for renewal for the 2003-2004 policy period. This resolution seeks approval for the Executive Director to renew property insurance with Housing Authority Property Insurance, Inc. ("HAPI") in an amount not to exceed $788,961.00.

Pursuant to Section 305, Part Two of the Annual Contributions Contract, dated August 27, 1964, as amended between the Housing Authority, City and County of San Francisco, and the U.S. Department of Housing and Urban Development ("HUD"), the Authority is required to insure its interest against risks associated with its particular type of operation, i.e., low income housing.

Seeing the need, Congress enacted the Risk Retention Amendments of 1986 ("the Act"), codified at 15 U.S.C., sections 3901-3906, authorizing the formation of risk retention groups by governmental entities such as Public Housing Authorities. In compliance with the Act, the Authority moved its property coverage to HAPI, and the policy was renewed by Resolution No. 5062, dated October 24, 2002.

The solicitation process began in July 2003. In an effort to obtain quotes that considered the Authority's best interest, solicitation information was sent to nineteen (19) brokerage firms. Of the nineteen firms that information packages were sent to, three expressed interest in soliciting quotes for property/casualty coverage.

Resolution 5115, September 25, 2003, authorized the Executive Director to continue property/casualty coverage with HAPI on a monthly payment basis while the search continued for more competitive rates. However, despite the additional time spent searching for other quotes, the HAPI renewal quote was the only firm quote received by the October 15, 2003 deadline.

**OBJECTIVE:**

The objective is to obtain property/casualty insurance coverage for the 2003-2004 policy period that is most advantageous and affordable for the Authority.

**PRESENT SITUATION:**

In policy year 2002-2003, HAPI provided coverage for all of the Authority's buildings, which were valued at $424,000,000.00. The annual premium for the expiring coverage was $718,421.00, with a $25,000.00 deductible per loss.

The renewal quote provides coverage for the Authority's buildings, which are currently valued at $477,660,655.00 pursuant to the schedule on file with HAPI. Additionally, rental income is valued at $13,769,386.00 according to the schedule on file. There is an 80% co-insurance clause, which means at the time of a loss, the building or unit must be insured for at least 80% of the replacement cost value. If the building is undervalued, the insurance company will only pay up to the undervalued percentage.

None of the brokerage firms were able to obtain quotes for the property/casualty coverage from the private market by the October 15, 2003 deadline. However, because the staff of the Authority recognizes that the brokerage firms need additional time and information to secure favorable quotes from the private market, the process has been modified to begin in January for future renewals.

**WHO BENEFITS:**

The Authority benefits from renewing coverage with HAPI because of the longstanding professional relationship the Authority has with the company. HAPI also has a well trained staff available to assist the Authority with property/casualty issues unique to the housing industry, in addition to provide training services for housing staff.

**RECOMMENDATION:**

It is recommended that the Authority renew coverage with the Housing Authority Property Insurance, Inc.

RESOLUTION NO.: 5126
DATE ADOPTED: 10/23/03

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEW THE SAN FRANCISCO HOUSING AUTHORITY'S PROPERTY INSURANCE AND EXECUTE A PURCHASE ORDER FOR PAYMENT TO HOUSING INSURANCE SERVICES, INC. IN AN AMOUNT NOT TO EXCEED $788,961.00

WHEREAS, Section 305, Part Two of the Annual Contributions Contract dated August 27, 1964, as amended, between the Housing Authority of the City and County of San Francisco ("the Authority") and the U.S. Department of Housing and Urban Development ("HUD") requires the Authority to insure its interest against risks associated with its particular type of operation; and

WHEREAS, by Resolution No. 5062, dated 10/24/02, the Authority placed coverage with Housing Authority Property Insurance, Inc. ("HAPI"); and

WHEREAS, HAPI submitted a quote for renewal for the Authority's property insurance for the 2003-2004 policy period; and

WHEREAS, in an effort to reduce the Authority's insurance premium and obtain additional quotes for the 2003-2004 policy period, the Authority began the solicitation process in July 2003; and

WHEREAS, three brokerage firms responded to the portion of the solicitation relating to property/casualty coverage, but they failed to submit any firm quotes by the deadline of October 15, 2003; and

WHEREAS, insurance on all property owned and operated by the Authority is a necessary and required expense, and in accordance with the procurement regulations under 24 CFR, part 85.369, the Authority should accept the property insurance offered by HAPI

WHEREAS, the Authority's policy was due to expire on October 1, 2003, but was renewed to provide coverage through October 1, 2004 with the option to cancel; and

WHEREAS, funding for the insurance services described herein is available as part of the Authority's Low-Income Operating Budget and Section 8 Budget;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is hereby authorized to renew coverage with Housing Authority Property Insurance, Inc. and to execute a purchase order to pay Housing Insurance Services, Inc. in an amount not to exceed $788,961.00.

2. This resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

DONNA MARTIN
General Counsel

10/17/03
DATE

REVIEWED BY:

GREGG FORTNER
Executive Director

10/17/03
DATE

F

# SAN FRANCISCO HOUSING AUTHORITY

440 TURK STREET • SAN FRANCISCO, CALIFORNIA 94102 • (415) 554-1200

October 23, 2003

**TO**: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

*Julie Lee, President*
*George R. Brown, Vice-President*
*Sululagi Palega, Sr., Commissioner*
*Betty Smith, Commissioner*
*Andrew J. Clark, Commissioner*
*Neola Gans, Commissioner*
*Rev. George Woodruff, Commissioner*

**FROM**: Gregg Fortner, SECRETARY/EXECUTIVE DIRECTOR

**SUBJECT**: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEW THE SAN FRANCISCO HOUSING AUTHORITY'S GENERAL LIABILITY INSURANCE AND EXECUTE A PURCHASE ORDER FOR PAYMENT TO THE HOUSING AUTHORITY RISK RETENTION GROUP IN AN AMOUNT NOT TO EXCEED $1,340,027.00

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**OVERVIEW:**

The San Francisco Housing Authority's ("the Authority") commercial general liability insurance coverage is up for renewal for the 2003-2004 policy period with the Housing Authority Risk Retention Group.

Pursuant to Section 305, Part Two of the Annual Contributions Contract dated August 27, 1964, as amended between the Housing Authority and City and County of San Francisco and the U.S. Department of Urban Development ("HUD"), the Authority is required to insure its interest against risks associated with its particular type of operation, i.e., low income housing.

In the 1980's when the Authority solicited insurance coverage from the private sector the market had hardened, making it virtually impossible to obtain the necessary coverage. Seeing the need, Congress enacted a law entitled Risk Retention Amendments of 1986 ("the Act"), codified at 15 U.S.C., sections 3901-3906, authorizing the formation of risk retention groups by governmental entities such as Public Housing Authorities ("PHAs").

The Authority, by Resolution No. 3006, dated May 28, 1987, accepted membership into the Housing Authority Risk Retention Group ("HARRG"), a nationwide insurance provider meeting the requirements of the Act. The Authority has maintained a relationship with HARRG for the past sixteen years.

However, in a continued effort to reduce insurance costs and to obtain quotes from insurance companies in the private market, solicitation information was sent to nineteen (19) brokerage firms. Of the nineteen firms that information packages were sent to, five responded. Of the five responses, three expressed interest in soliciting quotes for general liability coverage. The solicitation process began in July 2003.

**OBJECTIVE:**

The objective is to obtain general liability insurance coverage for the 2003-2004 policy period that is most advantageous and affordable for the Authority.

**PRESENT SITUATION:**

Resolution 5114, September 25, 2003, authorized the Executive Director to continue general liability coverage with HARRG on a monthly payment basis while the search continued for more competitive rates. However, despite the additional time spent searching for other quotes, the HARRG renewal quote was the only firm quote received by the October 15, 2003 deadline.

The coverage limits specified in the HAARG renewal policy for 2003-2004 are as follows:

| COVERAGE | PER OCCURRENCE LIMIT | AGGREGATE LIMIT | DEDUCTIBLE |
|---|---|---|---|
| Property Damage and Bodily Injury | $5 million | $5 million | $25,000.00 |
| Law Enforcement | $1 million | $1 million | $25,000.00 |
| Public Official's Errors and Omissions | $1 million | $2 million | $50,000.00 |
| Non-Owned & Hired Automobile | $1 million | $1 million | $0 |
| Employee Benefit | $25,000.00 | $50,000.00 | $1000.00 |
| Lead Based Paint | $500,000.00 | $500,000.00 | $25,000.00 |
| Employment Practice | $1 million | $2 million | $10,000.00 |

The coverage limits and deductible amounts are the same as last year, and the premium is about 20% less than last year's policy premium.

Neither Aon Risk Services, ISU Insurance Services, nor Emerson-Prew, Inc. were able to obtain quotes for the general liability coverage from the private market. However, because the staff of the Authority recognizes that these brokerage firms need additional time to secure favorable quotes from the private market, the process has been modified to begin in January for future renewals.

**WHO BENEFITS:**

The SFHA benefits from renewing with HARRG because it will have insurance coverage that was not obtainable in the private market. In addition, HARRG provides services such as network training for staff and residents, risk management services, and underwriting services for special events. HARRG also has a professional staff available to assist with issues that are unique to the housing industry.

**BUDGET:**

Funding for this year's insurance coverage is available as part of the Authority's 2003-2004 Low Income Operating Budget and Section 8 Budget.

**RECOMMENDATION:**

It is recommended that the Authority renew its general liability coverage with the Housing Authority Risk Retention Group for the 2003-2004 policy period.

RESOLUTION NO.: 5127
DATE ADOPTED: 10/23/03

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEW THE SAN FRANCISCO HOUSING AUTHORITY'S GENERAL LIABILITY INSURANCE AND EXECUTE A PURCHASE ORDER FOR PAYMENT TO THE HOUSING AUTHORITY RISK RETENTION GROUP IN AN AMOUNT NOT TO EXCEED $1,340,027.00

WHEREAS, Section 305, Part Two of the Annual Contributions Contract dated August 27, 1964, as amended, between the Housing Authority of the City and County of San Francisco ("the Authority") and the U.S. Department of Housing and Urban Development ("HUD") requires the Authority to insure its interest against risks associated with its particular type of operations; and

WHEREAS, Congress enacted a law entitled Risk Retention Amendments of 1986 ("the Act"), codified at 15 U.S.C., sections 3901-3906, authorizing the formation of risk retention groups by governmental entities such as Public Housing Authorities ("PHAs") to cover liabilities associated with such risks; and

WHEREAS, the HUD Appropriations Act recognized "the Act" by permitting PHAs to secure insurance for non-profit insurance entitles that are controlled and owned by PHAs without regard to competitive solicitation procedures;

WHEREAS, the Housing Authority Risk Retention Group ("HARRG") is a nationwide insurance provider meeting the requirements of the HUD Appropriations Act; and

WHEREAS, the Authority, by Resolution No. 3006, dated May 28, 1987, accepted membership into HARRG for the provision of general liability; and

WHEREAS, the Authority's policy was due to expire on October 1, 2003, however, coverage has been renewed until October 1, 2004 with the option to cancel; and

WHEREAS, in an effort to reduce the Authority's premium and obtain additional quotes for the 2003-2004 policy period, the Authority completed a solicitation process using nineteen major brokerage firms; and

WHEREAS, HARRG provided the only quote received by the Authority for the 2003-2004 policy year; and

WHEREAS, payment for this coverage is $1,340,027.00; and

WHEREAS, funding for the 2003-2004 coverage is available as part of the Authority's 2003-2004 Low Income Operating Budget and its Section 8 budget;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The Executive Director is hereby authorized to renew coverage with the Housing Authority Risk Retention Group and execute a purchase order to pay the same in an amount not to exceed $1,340,027.00.

2. This resolution shall take effect immediately.

APPROVED AS TO FORM AND LEGALITY:

Donna Martin

DONNA MARTIN
General Counsel

10·14·03

DATE

REVIEWED BY:

GREGG FORTNER
Executive Director

10/17/03

DATE

**HOUSING AUTHORITY**
**OF THE**
**CITY AND COUNTY OF SAN FRANCISCO**

Minutes of Regular Meeting
Thursday, October 23, 2003

440 Turk Street
San Francisco, California

The Housing Authority of the City and County of San Francisco met in a regularly scheduled meeting at 440 Turk Street, San Francisco, California on Thursday, October 23, 2003, at 4:00 p.m.

Vice President George Brown called the meeting to order at 4:07 p.m.

1. ROLL CALL

DOCUMENTS DEPT.

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Roll call found the following members to be:

PRESENT: *Julie Lee, President (excused)*
*George R. Brown, Vice President*
*Sululagi Palega, Sr., Commissioner*
*Betty J. Smith, Commissioner*
*Andrew Clark, Commissioner (excused – during closed session)*
*Neola Gans, Commissioner*
*Rev. George Woodruff, Commissioner (excused at 6:12p.m)*

A quorum was present.

ALSO PRESENT: *Mr. Gregg Fortner, Executive Director*
*Ms. Donna Martin, Agency Counsel*

2. APPROVAL OF AGENDA

Mr. Fortner asked that Unfinished Business be addressed after the Closed Session. Commissioner Woodruff moved to approve the agenda. Commissioner Gans seconded the motion. The motion to approve the agenda was unanimously passed.

3. APPROVAL OF MINUTES

Commissioner Smith moved to approve the minutes of the September 25, 2003 Annual Commission Meeting. Commissioner Clark stated that according to his recollection, he nominated Commissioner Palega for president prior to Commissioner Gans nominating Commissioner Lee for president. The minutes reflected the latter. Executive Director, Gregg Fortner suggested tabling the vote and conducting a review of the tape. Commissioner Smith moved to approve the minutes of the October 9, 2003 Regular Commission meeting. Commissioner Gans seconded the motion. The motion to approve

the minutes of the October 9, 2003 Regular Commission meeting was passed by a unanimous vote.

4. GENERAL COMMUNICATIONS
5. REPORT OF SECRETARY

Executive Director Gregg Fortner asked the Commission's permission to present the General Communications and Report of the Secretary simultaneously. The Commission did not object. Mr. Fortner stated that item nine on the Commission Request Log, the status report of insurance procurements, would be discussed during New Business and hopefully voted on by the Commission. Next, was the memorandum detailing the progress of the Public Housing Operations Conventional Lease-up efforts. The following item was the cover letter to a document sent with the Commission packages: the Draft Valencia Gardens Disposition and Development Agreement. This was given to the Commission ahead of time so that the Commission could have enough time to review the document, even though it wouldn't be heard until the first meeting in November. Commissioner Palega stated that the document indicated that this document would be addressed in 2004. Mr. Fortner answered that it should say 2003. Mr. Fortner asked the Commission to call if they had any questions concerning the document.

The next item of correspondence was in response to President Lee's inquiry of Commission participation in the procurement process. Mr. Fortner stated that nothing was found in the Federal Procurement processes or HUD regulations prohibiting this, but through the further investigations of the Agency Counsel, Donna Martin, the SFHA has learned from HUD that should a Commissioner participate in the procurement process, that Commissioner should excuse him or herself from voting on that item due to a conflict of interest.

The following correspondence was in response to Commissioner Palega's inquiry regarding resident Commissioners' simultaneous participation on the Board of Commissioners, and serving on their tenant association. Commissioner Palega stated that according to his understanding, HUD regulations allow Commissioners to participate in their tenant associations and the Board of Commissioners, but Commissioners may not serve in elected positions in their tenant associations and receive a stipend from being on the Board of Commissioners. Commissioner Palega stated that the resident Commissioners can't receive parking or laundry money, or a stipend from the SFHA. Commissioner Palega said that he was waiting to receive a copy of the HUD regulations. Mr. Fortner replied that a copy of the regulations would be distributed, but cautioned the Commission not to confuse resident organizations and the tenant Commissioners. They are two separate and dynamic processes.

Mr. Fortner announced that Mayor Willie Brown would hold his final State of the City address on October 28, 2003, 11:00 a.m. at City Hall. Mr. Fortner informed the Commission that the videotape they received was of the presentation made by the City

Attorney's office on May 16, 2003 about the Sunshine and Conflict of Interest Laws. The Ethics Commission wants all Commissioners to be apart of that training and viewing the tape will ensure the Commission's compliance. Mr. Fortner reminded the Commission of the Mayoral celebration, hosted by the SFHA on November 14, 2003. The purpose is to thank Mayor Willie Brown for all of his support of Public Housing and Section 8 throughout his tenure as mayor.

Mr. Fortner informed the Commission that on Monday, October 27, 2003, 2:00p.m., room 223, the SFHA is to appear before the Land Use Committee of the Board of Supervisors regarding the SFHA request for qualifications to developers for ideas on our properties. Mr. Fortner stated that this would give him the opportunity to let the public know exactly what the intentions of the Housing Authority are and dispel the rampant misperceptions. Finally, Mr. Fortner informed the Commission and public that a long time employee and tenant, Besilissa "Babs" Dow, had died the previous week and the services were held earlier in the current week. Mr. Fortner asked for a moment of silence in acknowledgement of Ms. Dow's passing.

Vice President Brown asked the Agency Counsel, Donna Martin for more information about the resident Commissioners simultaneously serving on the Board of Commissioners and holding office in their tenant associations. Ms. Martin stated that she was asked if someone serving on the resident council would be precluded from being on the Board of Commissioners. The HUD notice, cited in the memo, stated that because the Commission Board was a non-salaried position, there was no conflict in serving on both. Ms. Martin stated that she did not address this issue from the perspective of the resident council because they are a separate entity that the SFHA does not regulate. Although, there is a regulation that prohibits an individual from serving in an officer's position on a resident council while being an employee, or holding a paid or policy making position. The question then becomes is a Commissioner a policy making position.

Commissioner Palega said that his concerns were whether or not a Commissioner could hold an office in a resident council and receive a stipend as a Commissioner. Commissioner Palega stated that he still has questions about the opinion of the previous General Counsel, Carl Williams because if a person is holding a resident council office, and is a Commissioner, they can't do both. Furthermore, he had spoken with William Vitale, President of the City Wide Council Senior/ Disabled, and was informed that there was a provision in the HUD regulations specifically addressing this. Commissioner Palega stated that he wanted to see a copy of those regulations.

Mr. Fortner replied that the Commission would be given a copy of the regulations after the meeting. He explained that the by-laws of a resident council determine whether or not an individual can simultaneously hold an office and serve on the Commission. If it is silent, then the issue is not addressed. Based on Carl Williams' opinion, and an updated opinion from Donna Martin, there is no conflict and the resident Commissioners are in

compliance with the by-laws of their resident council as well as the rules governing the Commission.

Commissioner Clark asked if the letter from HARRG, dated October 21, 2003 was going to be discussed during the closed session. Mr. Fortner stated that Commissioner Clark received a copy of the letter by his own request, and it would not be discussed in Closed Session because it was not noticed on the agenda.

Commissioner Smith addressed Commissioner Palega's remarks about resident council officers being paid a salary and questioned where the money would come from. Mr. Fortner stated that the definition of salary and stipend must be kept distinctive from one another. The regulations Mr. Vitale was referencing discussions the provisions of an individual resident council, but does not transpose over to a Commissioner. Commissioner Smith questioned where this issue came from and why it is being done now.

Mr. Vitale stated that the HUD regulations encourage stipends and the officers of the City Wide Council Senior/Disabled, receives $45 a month for the main officers and $25 for the rest. Commissioner Smith asked if this was approved by the resident body. Mr. Vitale replied yes.

Mr. Fortner asked the Finance Deputy Department Administrator, Herb Lum if stipend payments are an eligible activity under the funds allocated to the tenant associations. Mr. Lum answered yes. Mr. Fortner stated that he stands corrected then.

6. COMMITTEE REPORTS

***Diversity Committee***

Commissioner Smith stated that a Diversity Committee meeting was held on October 15, 2003 at 11:00 a.m. Commissioner Smith reported that the staff provided information on the Flat Rent, languages of various ethnicities, and security. Commissioner Smith then asked all of those who gave reports to summarize them.

Naja Boyd, Deputy Executive Director, summarized the Flat Rent report. She stated that the new system was implemented in May of 2003 and how it works was thoroughly discussed at the meeting. The Flat Rent system would just be another option residents have for rent payment. Ms. Boyd also reported that Buddy Choy discussed language diversity and Jim Williams discussed the security statistics at the Big Four developments.

Mr. Fortner asked Jim Williams, Director of Administrative Services and Security to summarize his report. Mr. Williams stated that copies of the report given to the Diversity Committee would be distributed to all Commissioners by the end of the meeting. At the Diversity Committee meeting, Mr. Williams said he discussed an overview of the

Housing Authority's security program and how it is being addressed at the Big Four sites as well as the other developments. Included in the report were the crime statistics received from the San Francisco Police Department on all SFHA sites. A sharp decline in all major crime was noticed in all developments over the last year. Additionally, Mr. Williams stated that he reported on the methods used by the SFHA to continually monitor the services and performance standards of the security firms under contract with the SFHA. The SFHA will be conducting a resident survey of security's performance on a quarterly basis. Results of the last survey were included in the report.

Commissioner Palega stated that he's been getting complaints from residents at Plaza East that they are living in fear because of the group hanging out at the dead end street adjoining the supermarket. He stated that the other night some of his friends had gotten bottles thrown at them, and were trying to escape with their lives. Commissioner Palega asked if the SFHA is collaborating with the SFPD to address these issues. Mr. Williams answered that monthly meetings are held at the Northern Police Station. At the last meeting a representative from Personal Protective Services as well as residents were present to address the security issues. The security and police department are well aware of the problems at the dead end location Commissioner Palega referenced, Mr. Williams said. Commissioner Palega detailed some of the activity in that area. Mr. Williams stated that he had been talking with Stephanie Fo, the District Director of that area to establish another meeting in an effort to find out the specific plans of the police department for that area. Commissioner Palega said that the meeting is a good start, but the SFHA may need to put in some extra work in establishing security in the area. Mr. Williams stated that he would talk to Ms. Fo about increasing the number of security officers in that vicinity.

Commissioner Smith requested a Public Safety Committee meeting. Mr. Williams agreed to begin working on that.

In response to Commissioner Clark's inquiry, Mr. Williams stated that the title of the document is "Defining Security's Role in Maintaining Peace and Recent Crime Statistics and Crime Reduction Strategies," and it would be available to all Commissioners by the end of the meeting. Commissioner Clark asked Mr. Williams if he would be available for questions after the Commission had an adequate amount of time to review the document. Mr. Williams said that he would.

***Finance Committee***
Commissioner Palega commented that a Finance Committee meeting would be scheduled after he and David Esparza were able to coordinate one.

***Personnel Committee***
No report.

7. REPORT OF AGENCY COUNSEL

Agency Counsel Donna Martin stated that the items noticed on the agenda were to be discussed during the Closed Session. Commissioner Clark asked Ms. Martin if the HARRG correspondence would be discussed during the Closed Session. Mr. Fortner stated that it would not be discussed because it was not noticed on the Agenda, but could be addressed at the next meeting pending proper notification. Commissioner Clark requested that it be noticed for the next meeting. Mr. Fortner stated that it would be.

Commissioner Brown asked if the HARRG correspondence could be discussed under "case name unspecified to avoid jeopardizing pending negotiations." Mr. Fortner replied that when the agenda was drafted, that was not one of the items referenced and in order to protect the integrity of the process and maintain compliance with the Brown Act, it would not be discussed, but would be noticed on the November 13, 2003 agenda. Commissioner Brown found it hard to understand and wondered who would know what cases were discussed. Mr. Fortner stated that in this case, there were no pending settlement actions to update the Commission on. Ms. Martin added that there is pending litigation and this case could be specifically named in the details Closed Session section.

8. TENANT REPRESENTATIVE REPORT

***City Wide Council - Senior/Disabled***

President William Vitale announced that the nominations for their new board were coming up in November. In December, the volunteer recognition luncheon would be held. Mr. Vitale invited the Commissioners, Mr. Fortner and members of the SFHA staff to attend. Official invitations would go out on November 10, 2003.

***Public Housing Tenants Association (PHTA)***

Mr. Fortner commented that the president of the Robert B. Pitts Tenants Association was invited to attend the Commission meeting, but was unable to do so.

9. PUBLIC COMMENTS ON AGENDA ITEMS: LIMITED TO 2 MINUTES

NOTE: *The public will have the opportunity to comment on agenda items prior to any action taken by the Commission pursuant to the San Francisco Housing Authority Rules Governing Public Testimony adopted 2/23/95 as Resolution No. 4423. Prior to adjournment, after Item No. 11, the public will have the opportunity to comment on items not on the agenda.*

*Peter McCluskey* stated that he had spoken before the Commission four weeks ago and was referred to Rene Latosa for further discussion. He said that he was told by the Commission that the bids he entered were supposed to be discussed, but instead Mr. Latosa began the meeting by asking questions that would be a statutory disqualification of

his bid. Twenty minutes after that, he was asked to step out of the room for 10 minutes. He was told that one of the staff members had gone to make copies of his bid and that the meeting was over. Mr. McCluskey said the next day he received a letter from the SFHA citing statutory disqualification, but during the meeting, the architect stated that he didn't feel that there was any basis for statutory disqualification. The letter also cited the dating on his bids and this was not brought up during the meeting. Mr. McCluskey said that he sent a letter back to the SFHA, but received no response. Mr. McCluskey provided the letters to the Commissioners. Furthermore, he stated that the meeting was not helpful and the real issues went unaddressed. He stated that Rene Latosa said that he does not have the technical expertise to be able to decide how the work was done or how long it would take. Mr. McCluskey said the point of the meeting seemed to be to find another way of disqualifying him.

11. NEW BUSINESS

Vice President Brown announced that due to the initial amendment to the agenda, Unfinished Business would be heard after the Closed Session.

Resolution No. 5122

(A) RESOLUTION APPROVING THE WRITE-OFF OF VACATED TENANT ACCOUNTS RECEIVABLE IN THE AMOUNT OF 468,822.41 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2003

Herb Lum, Acting Deputy Department Administrator of Finance presented the details of this resolution. Mr. Lum reported that each fiscal year, HUD guidelines and Generally Accepted Accounting Principles (GAAP) require the SFHA to write off balances that are not likely to be collected for tenants who have vacated their units. Approval of this resolution will allow the Authority to post an accounting entry to write off $468, 822.41 of vacated units for the period ending September 30, 2003. In comparison to last year, this year's write off amount was $15,536.00 higher. The SFHA is not precluded from pursuing collection action against the individuals. The SFHA is currently working with the City Treasurer's Office and a private vendor to develop a plan to collect the bad debts. Mr. Lum stated that individuals who vacated without paying their delinquent balances are not qualified to receive any public housing assistance until the balances are rectified. The write off will result in a higher PHAS financial score. The Authority will receive 4.33 points out of a maximum of 4.5 points. Without the write off, the Authority will only score 3.57 points.

Commissioner Clark asked for the name of the private vendor the SFHA is working with. Mike Roetzer, Administrator for Management Services said that he didn't have the name with him, but could make it readily available. The City Treasurer's Office and the private vendor would work on a contingency basis. Commissioner Clark asked what the City Treasurer would do for the SFHA. Mr. Roetzer answered that they have a collection and

delinquent account department that would assist the SFHA collecting on delinquent accounts. Commissioner Clark asked whether the individuals with delinquent accounts were still in public housing. Mr. Fortner answered that the units are vacated and typically it is hard to collect from people who have left public housing, especially because of the income characteristics of the SFHA clientele. Naja Boyd, Deputy Executive Director chimed in that these accounts are of individuals who have been either evicted, skipped, or had abandoned their units. There were 264 cases over the last fiscal year. Commissioner Clark asked if the amount to be written off for the fiscal year ending September 30, 2003 is the average amount written off. Ms. Boyd stated that the last two years have shown a trend close to this amount. Commissioner Clark asked whether there was any success in collecting last year's write off amount. Ms. Boyd stated that $30,399 was recovered last year. In addition, any individual with an outstanding balance cannot reenter public housing without paying their debt. Commissioner Clark asked who assisted in collecting last year's debt. Mr. Fortner stated that the $30,399 collected wasn't necessarily only from last year. It could have been from any previous year. Ms. Boyd stated that the company SFHA worked with was NRC, but she was unsure. This year it will change at the request of the Commission last year. Mr. Fortner added that the funds may have been paid directly to the SFHA and not went through a collection agency. Mr. Fortner also explained the difficulty in collecting these outstanding balances. The vendors only get paid a percentage of what they collect.

Commissioner Woodruff called attention to the $180,000 budget considerations and asked if an adjustment needs to be made due to the egregious discrepancy in the debt versus the budget. Ms. Boyd agreed with Commissioner Woodruff. Mr. Fortner commented that this is a bookkeeping process so that the SFHA doesn't carry this debt from year to year in the accounting procedure. Commissioner Woodruff reiterated how much lower the budgeted amount was in comparison to the actual debt experienced. Mr. Fortner stated that it is an ambitious endeavor, but will be examined.

Commissioner Brown asked if the vendors are not budgeted for, then how will they be paid. Mr. Roetzer stated that they are paid on a contingency basis, meaning that when they collect, the vendor receives 30% of it. Mr. Fortner stated that the write off doesn't count against the SFHA asset to liability ratio. It doesn't show as debt owed, so all money received is a plus for the SFHA.

Commissioner Woodruff reiterated the vendor's payment process. His understanding of the procedure was confirmed by Mr. Roetzer and Mr. Fortner.

Commissioner Clark asked if almost half of a million dollars was the average write off amount. Mr. Fortner stated that it had been for the last two years. Mr. Lum added that in 2001 it was $151,925 and in 2000 it was $183,407. Commissioner Clark asked if the SFHA is aggressively pursuing the debt, or has given up on it. Mr. Fortner stated that these are difficult debts to collect and it wouldn't make sense to put forth $100,000 worth of an effort to collect $30,000. Mr. Fortner stated that he could not quantify the word

aggressively, but the SFHA does pursue its owed debts. Commissioner Clark asked where the collected funds go. Mr. Lum stated that it is credited to the current fiscal year's low income operating account.

Commissioner Clark moved to approve Resolution No. 5122. Commissioner Palega seconded the motion. The motion to approve Resolution No. 5122 was passed unanimously.

Resolution No. 5123

(B) RESOLUTION REQUESTING THE COMMISSION TO RATIFY THE PAYMENT OF AN ADDITIONAL $41,621.00 TO HOUSING INSURANCE SERVICES, INC. FOR POLICY PERIOD 2002-2003

Dominica Henderson, Executive Assistant in the Office of General Counsel presented the details of this resolution. Ms. Henderson stated that due to federal, state and local legislation, the SFHA is required to insure itself against risks associated with this type of business. This was done through the Housing Insurance Property Company (HAPI). Last year, resolution 5062 was passed to approve this policy, but due to an interdepartmental miscommunication the amount was incorrectly stated as $676,800 when actuality it was $718,421.

Commissioner Clark asked how that happened. Ms. Henderson explained that when the resolution was presented last year, there were three options submitted from two different insurance companies. Lexington Insurance submitted one and HAPI submitted two options. The Commission requested that the SFHA go with the company that would increase the value of the properties, thus lowering the premium to $676,800. The SFHA didn't increase the value of the properties according to the required schedule of the insurance company, by default, the SFHA accepted option one for $718,421. However, this year, the Legal department and Modernization are collaborating to assess the value of the SFHA properties. Mr. Fortner added that in recent weeks, an operational weakness was discovered in how the insurance policies and coverage were being monitored in regards to complying with the directions of the Commission. Due to this error, and lack of follow through, staff had to come back before the Commission to rectify the situation. Ms. Henderson said that interagency changes were being made as well as improving the SFHA and insurance company's relationship, to prevent this from happening again.

Commissioner Clark asked if the Housing Authority Risk and Retention Group (HARRG) was insuring the SFHA properties. Ms. Henderson explained that the general company is Housing Insurance Services (HIS). Under that company are subsidiary companies. HARRG provides the general liability coverage. Housing Authority Property Insurance (HAPI) provides the property casualty coverage. Ms. Henderson explained that this resolution would be a payment to HIS for coverage through HAPI. In response to Commissioner Clark's question, Ms. Henderson stated that HIS does not provide all of

our insurance coverage, but does provide general liability and property insurance coverage. Commissioner Clark stated that a couple of meetings ago, an independent auditor was present and dealt with an issue of revaluing the SFHA properties. Commissioner Clark wanted to know if this is the same issue the insurance coverage is facing. Ms. Henderson and Mr. Fortner deferred to Barbara Smith to answer the question. Before Ms. Smith came forward, Commissioner Clark clarified his question. He stated that the auditors could not certify their findings because the SFHA property valuation process wasn't clear and that he was confused as to whether this is the same issue of the current resolution before the Commission. Ms. Martin interjected that a process has been developed in collaboration with HIS where they will find an applicable value in San Francisco and apply it to the square footage of SFHA properties to increase the SFHA property value. This will ensure that no future penalty fees will occur for the undervaluing of SFHA properties. The property value, as assessed by the auditors will help authenticate the accuracy of the values determined by HIS. Ms. Martin concluded that this is why our insurance premiums are going down.

Commissioner Palega asked if $564 million is the total value of replacement costs for insurance purposes. If so, is that a fair amount because one development is costing $110 million to erect. In addition, where does that put places like Potrero Hill and Hunter's Point, which are said to have the billion dollar views. Commissioner Palega said that it is important to obtain a very good estimate, especially if it will be used to measure the stock and value of SFHA properties in the future. Commissioner Palega stated that he estimates that the property is worth about $2 billion and if the property is somehow destroyed, and the SFHA can't rebuild it because it was undervalued, there will be a lot of unhappy people with the Housing Authority. Commissioner Palega stated that if the SFHA were to put Potrero Hill on the market today, the SFHA could get at least $4-5 billion for it. Ms. Henderson explained that the replacement costs were for the structures of the buildings and not for the land and the multiplier used for the San Francisco Bay Area is the second highest in the nation. Commissioner Palega stated that if these buildings were to be replaced, the structures would not be similar to those currently occupying the land. They would look more like North Beach, Bernal, or Plaza East. In which case, Commissioner Palega questioned whether the values stated would be sufficient to replace the structures should a disaster occur. Ms. Henderson reiterated that the SFHA is currently embarking upon a project to revalue the SFHA developments to ensure a fair and accurate appraisal of the property and that SFHA properties are insured to the most protective capacity possible. Currently, in comparison to the national dollar, the San Francisco dollar is worth $1.63. Commissioner Palega stated that he echoes the concerns of his colleague and encourages the staff to get the audit completed because numerous people have told him that the SFHA property is worth billions. Mr. Fortner added that yes, the SFHA does have billions in land value, but the structures are antiquated, and made it clear that the SFHA can not sell it's land regardless of how much it is worth. Mr. Fortner continued that there is a lot of bad information circulating in the community that the SFHA is going to sell its property to build multimillion-dollar units, and that is an outright lie. Mr. Fortner stated that the land would belong to the SFHA no

matter what, but the focus remains around insuring buildings with architecture from the 1950's. Mr. Fortner agreed that it is imperative that the SFHA has an accurate appraisal of its properties so that the proper insurance coverage is obtained. If a catastrophic event were to occur and the SFHA was not able to replace the buildings with the money it has in insurance, then other resources, such as FEMA, would be sought in disaster relief.

Vice President Brown asked if the resolution had anything to do with the report given at a previous Finance Committee meeting. The report stated that the SFHA properties were not accurately valued and that is what the SFHA was about to rectify. Vice President Brown asked staff to confirm that by the next audit, the SFHA would have the appraisal completed. Mr. Fortner stated that at a previous meeting, when the audit report was presented, the staff committed to having the properties revalued by September 30, 2004.

Ms. Henderson reassured the Commission that the revaluation process is being thoroughly critiqued for improvements. The procurement process for insurance coverage is also being evaluated and restructured.

Commissioner Clark moved to approve Resolution No. 5123. Commissioner Smith seconded the motion. The motion to approve Resolution No. 5123 was passed unanimously.

Resolution No. 5124

(C) RESOLUTION AUTHORIZING THE EXECUTION OF AN INSURANCE POLICY WITH AND PAYMENT TO HOUSING ENTERPRISE RISK SERVICES, INC. TO PROVIDE PROPERTY INSURANCE FOR BERNAL DWELLINGS IN AN AMOUNT NOT TO EXCEED $50,000.00

Dominica Henderson, Executive Assistant in the Office of General Counsel asked for the Commission's indulgence to present items C and D simultaneously because they were very closely related. There were no objections from the Commission.

Resolution No. 5125

(D) RESOLUTION AUTHORIZING THE EXECUTION OF A PURCHASE ORDER TO PAY FOR GENERAL LIABILITY INSURANCE FOR BERNAL DWELLINGS IN AN AMOUNT NOT TO EXCEED $50,000.00

Ms. Henderson explained that the two resolutions addressed the property and general liability insurance coverage. Until this new policy year, Bernal Dwellings was covered under the agency-wide plan. A letter was received from HARRG and HAPI stating that they would not be renewing policies with mixed income developments. According to the partnership between the SFHA and the Bernal Housing Limited Liability, the SFHA is required to have a policy that covers the Bernal Dwellings area. The Housing Enterprise

Risk Services (HERS) is willing to provide the property insurance in an amount not to exceed $50,000. In addition, two companies have submitted quotes to provide the liability coverage insurance for Bernal Dwellings. Ms. Henderson stated that ordinarily, the SFHA would not have to request an additional policy, but because HARRG and HAPI decided not to renew policies with this type of development, it became necessary. Ms. Henderson requested the approval of the resolutions.

Commissioner Woodruff asked if this was the only property that needed this type of coverage. Ms. Henderson said yes. Mr. Fortner added that the reason is because Bernal Dwellings is the only development that the Authority acted as the developer on, and therefore is solely responsible for the insurance coverage. The Hayes Valley and Plaza East developments' insurance coverage is provided by the partner developer, McCormack Baron.

Commissioner Clark asked if HERS insurance falls under the umbrella of HIS. Ms. Henderson said yes, it is a subsidiary company. Commissioner Clark asked if $100,000 was in line with the $718,000 for the other properties. Mr. Fortner clarified Commissioner Clark's question at the request of Ms. Henderson. He stated that Commissioner Clark was asking if it balances out and stated that it does not. In accordance with the point that Commissioner Palega exposed, Bernal Dwellings only has 160 units, but the replacement value is much higher than the properties built a long time ago.

Commissioner Palega asked what the replacement value of Bernal Dwellings is. Mr. Fortner answered that it would cost $39 million to replace Bernal Dwellings. Barbara Smith added that Bernal Dwellings has many more amenities than older developments.

Commissioner Clark confirmed with Ms. Henderson that all of the other properties are covered for the $718,000 and $100,000 for Bernal Dwellings seemed disproportionately high. Ms. Henderson stated that the policy for Bernal Dwellings was not going to be renewed, therefore the best option for the SFHA was to go with what was offered. Mr. Fortner added that the SFHA knows exactly how much Bernal is worth because of how recent it was built. The SFHA gets more value by combining the other properties, but Bernal has to be kept as a separate entity because at a per unit ratio, the SFHA would pay $5,000 for replacement. Commissioner Clark stated that HERS is just a part of the same company, so it didn't make sense to him. Ms. Henderson stated that HIS provides insurance through different subsidiary companies. Commissioner Clark asked whether the checks the SFHA writes end up in the bank account of HIS. Ms. Henderson answered that checks are made out to the various subsidiary companies. Commissioner Clark asked if an explanation was provided as to why mixed income developments would no longer be insured. Ms. Martin stated that mixed income entities have investors that they must satisfy. HARRG insurance and its limits could not satisfy the investors. Ms. Martin explained that HARRG would have to obtain a stand-alone policy for the non-profit being covered, and it must satisfy all of the requirements of the investors. Commissioner Clark

asked if the SFHA has any other options. Mr. Fortner answered that an operational weakness was discovered in how the Risk Management business was being conducted and now, the procurement process will begin in January so that the SFHA can get the best deal possible. Further, Mr. Fortner stated that the insurance company held the SFHA hostage when they stated 60 days prior to renewal, that they would no longer insure Bernal Dwellings because of its mixed income character. In the future, the SFHA will have more options and more time to decide between those options, but the brokers had a hard time coming up with viable choices in such a short time frame.

Commissioner Woodruff asked if Bernal Dwellings was included in the $718,000 coverage. Ms. Henderson stated that until now, it was included in that lump sum. Ms. Henderson explained that the liability and property insurance resolutions, items E and F, do not include Bernal Dwellings.

Commissioner Clark asked if the insurance company was going to hold the SFHA hostage when it came to Valencia Gardens and North Beach as well. Mr. Fortner explained that those issues would not arise with the Valencia Gardens and North Beach developments because the partners are responsible for insuring the property. Ms. Henderson added that the insurance company was very helpful in assisting the SFHA in finding an insurer to provide coverage. Ms. Henderson said that she was unsure how anticipated their change in policy was.

Commissioner Woodruff asked if the SFHA were ever the developer on another site, would it be responsible for the insurance coverage. Mr. Fortner answered yes, but it depends on whether there are investors and the agreement drafted therein.

Commissioner Clark requested a one-page synopsis of insurance issues, the SFHA coverage, and the premiums. Ms. Henderson assured the Commission that they would be provided with a breakdown of the coverage and policies by the next meeting. She stated that this would also help perform a policy analysis. Ms. Henderson assured the Commission that by beginning the procurement process in January, insurance resolutions would be heard by the Commission in August. Mr. Fortner stated that beginning in January, the staff would provide the Commission with bi-monthly reports so that the Commission would not be overwhelmed when the time came to present the resolutions for the policy renewals.

Commissioner Woodruff moved to approve Resolution No. 5124. Commissioner Gans seconded the motion. Resolution No. 5124 was passed unanimously.

Commissioner Woodruff moved to approve Resolution No. 5125. Commissioner Gans seconded the motion.

Prior to the vote, Commissioner Clark asked Ms. Henderson to describe the solicitation process. Ms. Henderson stated that notices of quote solicitations were sent to 19

brokerage firms. A list of coverage requirements were sent to the firms and asked to be returned. Commissioner Clark asked if it was an RFQ or an RFP. Mr. Fortner answered no, a formal procurement process was not administered. Ms. Henderson continued. She stated that the firms were now responsible for submitting their quotes by the September 18, 2003 deadline. After which, an extension of the insurance coverage was requested by the staff. The deadline for quote submissions was extended to October 15, 2003, but only those currently before the Commission were turned in and evaluated. Mr. Fortner asked if that would be the process in January. Ms. Henderson answered no. The Office of General Counsel would be working much more closely with the Procurement department to develop a much more publicly noticed process. The insurance companies will also have more time to get their questions answered and extensions will not have to be requested.

Commissioner Clark inquired about employee liability coverage and whether or not staff had investigated the cost with this new company. Ms. Henderson answered yes and a review process is being conducted to ensure that the liability coverage meets the SFHA needs.

Hearing no further questions, Vice President Brown, called for the vote. Resolution No. 5125 passed unanimously.

Resolution No. 5126

(E) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEW THE SAN FRANCISCO HOUSING AUTHORITY'S PROPERTY INSURANCE AND EXECUTE A PURCHASE ORDER FOR PAYMENT TO HOUSING INSURANCE SERVICES, INC. IN AN AMOUNT NOT TO EXCEED $788,961.00

Ms. Henderson asked the Commissioners if items E and F could be presented simultaneously due to the related nature of the resolutions. Commissioner Clark objected to the request stating that the amounts were significantly high and there were individual issues to be addressed with each.

Ms. Henderson explained that there are federal and state laws requiring the Housing Authority to have property insurance. The process began in July 2003. Notices were sent on July 9, 2003, notices requesting solicitation information were sent to the 19 firms previously mentioned. Three responses were received and each asked for more information to properly assess the type of coverage they would be able to provide. The deadline for those quotes was September 19, 2003. The only quote received by the deadline was from Housing Authority Property Insurance. The deadline was extended for a month in an attempt to get more information from private market firms. None were able to deliver concrete quotes by the October 15, 2003 deadline. Ms. Henderson requested approval of the resolution so that the SFHA could continue its property

insurance coverage. The extension approved at a previous meeting is included in the quoted price of $788,961.00.

Commissioner Clark questioned why the premium was higher this year when the coverage does not include Bernal Dwellings and when does the coverage expire. Ms. Henderson stated that the policy period is for one year beginning on October 1, 2003 to October 1, 2004. Included in the agreement is an option to cancel at anytime to change to a different firm. Mr. Fortner asked Ms. Henderson if this is the policy an extension was requested of and if the extension ends on November 30, 2003. Ms. Henderson answered yes. Additionally, the extension is on a month-to-month basis so that the Authority can continue to search the market for the best possible deal. Commissioner Clark asked if the SFHA was receiving any assistance in searching the private market. Mr. Fortner answered that the brokers are performing that task. Ms. Henderson added that the SFHA insurance requirements were sent to 19 different brokerage firms, and they searched the market for the best possible deals. Commissioner Clark expressed his concern that one company is receiving $2 million from the SFHA for insurance coverage. Even though it is broken down into subsidiary companies, Commissioner Clark was concerned that HIS was ultimately the SFHA's only insurer. Commissioner Clark suggested that the SFHA obtain an independent analysis of the insurance coverage issues and assistance in evaluating the market. Ms. Henderson stated that HIS specializes in this type of coverage and the SFHA is a member of the captive, HARRG. Mr. Fortner stated that the brokerage firms that the SFHA went to were not affiliated with HARRG and it was a frustrating experience for the Risk Management department to find a company that would insure Housing Authority properties. Mr. Fortner then provided the Commission with the context of the dilemma. In California, there is an organization called the California Housing Authority Risk Management Association (CHARMA). CHARMA consists of a number of Housing Authorities that combine their resources to self-insure themselves. The SFHA will be investigating joining that group, but as of now, the HARRG is the only insurer that will provide the SFHA with coverage. Mr. Fortner stated that he wanted to dispel any notion that the brokerage firms having any connection to HARRG, because that was not the case. Commissioner Clark reiterated his previous point that is seems that HIS has a monopoly on our insurance and suggested that an independent insurance analyst assist in the SFHA coverage issues to determine the best deal for the agency. Mr. Fortner said that the brokerage firms perform that role. Ms. Henderson echoed Mr. Fortner's sentiments and added that as the process is reevaluated, an independent specialist could be an option to reassess the SFHA insurance needs. Mr. Fortner stated that he was unsure if Commissioner Clark was suggesting this as an alternative to passing these resolutions because there is no certainty as to how long the insurer would carry the SFHA under the current agreement. Furthermore, both goals could be achieved due to the SFHA having the option to cancel its policy at anytime.

Commissioner Palega asked if there were any other companies that insured housing authorities besides the ones named by Mr. Fortner. Mr. Fortner answered that large housing authorities, such as in New Orleans, insure themselves, but he didn't know of any

others that didn't go through HARRG. Ms. Henderson explained that the SFHA is on the board, and has input in the annual and quarterly meeting activities. Mr. Fortner added that HARRG is very similar to CHARMA in that the SFHA is a part of the company as insurance coverage is paid. Commissioner Palega asked if that was because of the problems the SFHA is having. Ms. Henderson and Mr. Fortner both replied that it is the type of entity and industry of the Housing Authority. Mr. Fortner reiterated the difficulty in finding a national insurance company to insure properties as large as the SFHA.

Commissioner Clark restated his suggestion to obtain an independent insurance analysis to determine the best possible insurance solutions. Mr. Fortner answered that it was the duty of the brokerage firms to perform that task. Commissioner Palega stated that Commissioner Clark's suggestion should be more carefully looked at because these brokerage firms are not being paid or put on retention to ensure that the SFHA needs are being met. If a firm was being paid, the SFHA could possibly obtain a broader spectrum of opportunities for insurance coverage. The same 19 firms will obviously produce the same results and there has got to be a more innovative approach to procuring for a more feasible insurance policy than the current process, were the comments of Commissioner Palega. Ms. Henderson answered that the process is vigorously being revamped after realizing the current fallacies. If the SFHA decided to give a brokerage firm exclusive rights to obtaining the SFHA insurance, a procurement process would have to be implemented, but it is definitely within the scope of possibilities.

Commissioner Clark asked how long it would take to complete a solicitation. Mr. Fortner answered that it would take between 30 and 45 days, but based on Ms. Henderson's report, the policy could be cancelled at any time and the SFHA could risk being uninsured. Therefore Mr. Fortner encouraged the Commission to pass the resolution and both goals could be achieved simultaneously. Commissioner Palega restated his support for obtaining an independent insurance analyst.

Vice President Brown stated that the request of the Commission had been heard and hopefully within 30 days an update would be given as to the progress of obtaining the independent analyst.

Commissioner Woodruff asked if the $25,000 deductible was per building. Mr. Fortner stated that the deductible was per occurrence. Ms. Henderson explained the point through a scenario. She stated that if there is a fire in unit 1 and unit 3 is also burned, it is still only one occurrence and one $25,000 deductible.

Ms. Henderson confirmed the option to cancel language in the resolution, at the request of Commissioner Clark. Commissioner Clark requested that the SFHA hire an independent insurance analyst, but was corrected by his colleagues that another resolution would have to be drafted and proposed to the Commission. At that point, Commissioner Clark requested that such a resolution be drafted.

Commissioner Woodruff moved to approve Resolution No. 5126. Commissioner Clark seconded the motion. Resolution No. 5126 was unanimously passed.

Resolution No. 5127

(F) RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO RENEW THE SAN FRANCISCO HOUSING AUTHORITY'S GENERAL LIABILITY INSURANCE AND EXECUTE A PURCHASE ORDER FOR PAYMENT TO THE HOUSING AUTHORITY RISK RETENTION GROUP IN AN AMOUNT NOT TO EXCEED $1,340,027.00

Commissioner Woodruff was not present for the voting and discussion of this item.

Dominica Henderson, Executive Assistant in the Office of General Counsel explained the details of this resolution. Due to federal, local and state regulations, the SFHA is required to insure itself according to the risks associated with this type of operation. Membership into HARRG was accepted by the SFHA in 1987 and an active relationship has been maintained since. In an attempt to obtain the best coverage for the most feasible price, 19 brokerage firms were contacted to solicit quotes for general liability coverage. Three brokerage firms requested additional information about our coverage needs, but the process takes such a long time because of the type of agency, nature of the work, and the SFHA claims history, that the firms were not able to provide the quotes within a three-month period. In the future, the SFHA would begin the process in January versus July. Other options are being researched to better publicize, and obtain better quotes. The renewal policy was the only firm quote obtained by the SFHA and Ms. Henderson requested the Commission's approval of the resolution. Ms. Henderson assured the Commission that insurance updates would be provided periodically. In addition, the premium costs associated with HARRG provide services that would not necessarily be provided by private carriers. These services include, risk control training, fire management packages, the Housing Television Network, and staff support.

Commissioner Woodruff asked if this policy also has an option to cancel. Ms. Henderson answered yes.

Commissioner Palega asked if Commissioners were covered under the plan. Ms. Henderson answered that under the public officials, heirs and admission coverage, the board members, the executive director, counsel, and all officers are covered. Commissioner Palega asked to see a copy of the policy description as soon as possible.

Commissioner Clark asked if the payment is made in one lump sum. Ms. Henderson stated that the SFHA is on an installment plan.

Commissioner Palega asked if this was budgeted for. Mr. Fortner answered yes.

Vice President Brown asked Ms. Henderson to provide all of the Commissioners with the policy coverage information. Commissioner Palega asked for a comparison between this year and last year's coverage. Mr. Fortner clarified that the breakdown would be of the general liability, property insurance and Bernal insurance. Commissioner Palega asked if Bernal Dwellings was covered for $39 million in last year's premium amount. Mr. Fortner stated that he didn't think so. There was just a general amount for all of the properties. Ms. Martin stated that the numbers are available for each property's value. Commissioner Palega asked for a copy of it.

Commissioner Smith moved to approve Resolution No. 5127. Commissioner Gans seconded the motion. Vice President Brown stated that Commissioner Woodruff stated that he was in favor of the resolution prior to leaving. Mr. Fortner and Commissioner Palega stated that no proxy votes could be left. The motion to approve Resolution No. 5127 passed unanimously.

12. PUBLIC COMMENTS ON ITEMS NOT ON AGENDA

*Jan Allen,* requested Resolution No. 4423 that created a time schedule. She stated that she was on the Commission at that time and doesn't think she would ever pass a resolution like that. Ms. Allen stated that a year and a half ago, she had requested the PHTA budget from Commissioner Palega and is still waiting on it. Commissioner Palega stated that the staff was making a note of it and she would receive the requested information. Ms. Allen cited the Brown Act, 54597 and 54596.9 (a) about discussing pending litigation in closed sessions. She stated that there should be prior discussion with the public. She also took issue with posting the agenda. Mr. Fortner and Vice President Brown asked Ms. Allen to submit the remainder of her concerns in writing because she had already exceeded four minutes.

*Vera Stewart from Rosa Parks* complained about a neighbor that is harassing her and making noise. She stated that she has reported Mr. Burton to the manager and the police, but the problem had persisted for more than 3 years. Ms. Stewart then asked if a Commissioner could hold office in the tenants association. She stated that they had a private meeting and put officers in place. Her last issue was that her rent had increased by $50 and she is on a low-income budget with her son as her sole provider.

*Mirna Escobar of the Bilingual Community Advocates* complimented the Commission for asking more questions. Ms. Escobar asked if PPS was under contract with the SFHA. Mr. Fortner stated that PPS is under contract with McCormack Baron. She asked that the history of the PPS guards be remembered and stated that she would be sending a copy of her complaint with the San Francisco Human Rights Commission. Ms. Escobar stated that they agreed that the PPS guard was abusive, used excessive force, pointed a gun at her, and beat her up. She asked that PPS not be considered for any future contracts for the good of the tenants.

*Eddie Kittrell* was not present to address the Commission.

13. COMMISSIONER COMMENTS AND REPORTS

Commissioner Palega asked that the mail be delivered more regularly because there were invitations and information that were outdated and he didn't have a chance to respond to them.

Commissioner Clark stated that he received a note from the staff regarding a call he received in Supervisor Hall's office, about a blind woman having problems with her Section 8. He stated that he was happy to report that everything worked out well. Commissioner Clark also requested a map of San Francisco with the Public Housing Developments highlighted.

Vice President Brown commented on the NAHRO Conference that he, Commissioners Woodruff, Smith and Gans attended. He reported that Mr. Fortner was one of the commentators and he was well received and it was a good presentation on getting out the vote in the communities. Vice President Brown stated that there wasn't enough time for all of the questions, but it was important that people around the country hear of our good works and they also look up to us for our accomplishments.

Another session that Vice President Brown said he took was about the relationship between the Commissioners and the Executive Director. Vice President Brown requested the By-Laws and Guidelines to be distributed to all Commissioners, as well as the duties of the Executive Director.

Commissioner Palega requested a copy of the Executive Director's contract to be given to all of the Commissioners.

Commissioner Smith stated that Commissioner Woodruff attended a workshop on good relationships between the Commissioners and the Executive Director. She and Commissioner Gans attended a different workshop.

Commissioner Clark mentioned that he received the Draft of the Valencia Gardens Disposition and Development Agreement and wanted to know if this was in reference to a future meeting. Mr. Fortner answered that he discussed that in the Report of Secretary and the Agreement would be addressed at the first meeting in November. It was given to the Commission in advance so that there would be ample time for review and questions.

14. CLOSED SESSION

Vice President Brown announced that the Commission had concluded its public business and would go into closed session. A Closed session was scheduled with the Executive

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